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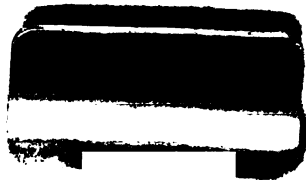
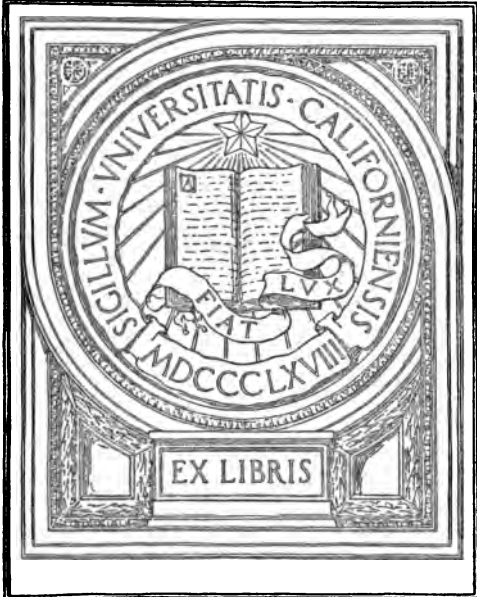
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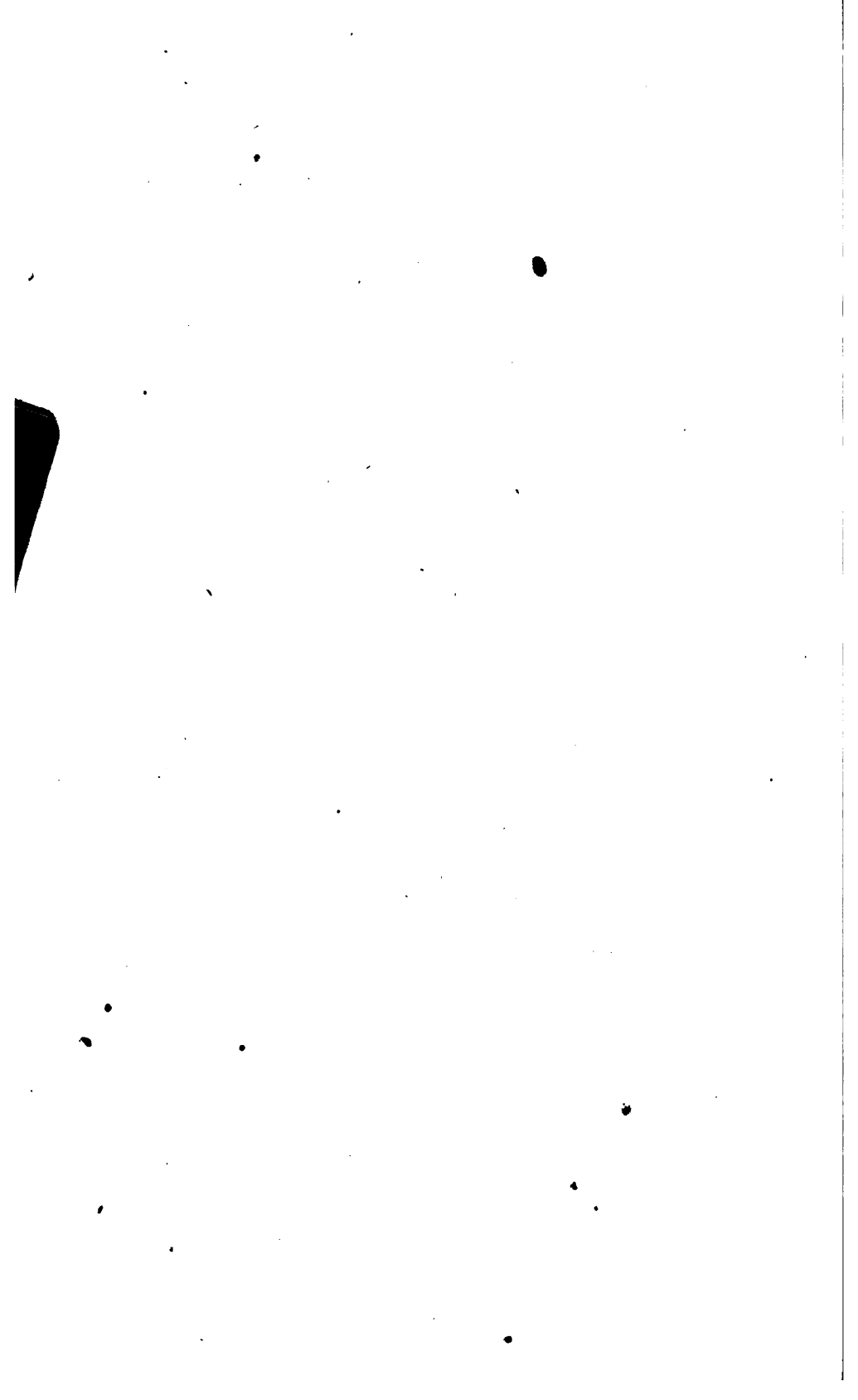
P. Quinn

A

GIFT OF
Miss Sue Dunbar



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The author to
A Reviewer.

THE
WORKING MAN'S MANUAL:

A
NEW THEORY OF POLITICAL ECONOMY,

ON THE PRINCIPLE OF
PRODUCTION THE SOURCE OF WEALTH.

Including

AN ENQUIRY INTO THE PRINCIPLES OF PUBLIC CREDIT, CURRENCY, THE WAGES
OF LABOUR, THE PRODUCTION OF WEALTH, THE DISTRIBUTION OF
WEALTH, CONSUMPTION OF WEALTH, POPULAR EDUCATION,

And

The Elements of Social Government in General,

AS THEY APPEAR OPEN TO THE SCRUTINY OF COMMON SENSE AND THE PHILOSOPHY
OF THE AGE.

*Governments were instituted for the happiness of the many, not the benefit of
the few.*

BY **STEPHEN SIMPSON,**

OF PHILADELPHIA.

PHILADELPHIA:
THOMAS L. BONSAL—NO. 31 MARKET STREET.

Adam Waldie, Printer.
1831.

ADVERTISEMENT.

The following volume is designed as a plain elucidation of some of the leading principles of the WORKING MEN. It cannot strictly be termed a treatise on political economy, but must rather be considered as an easy introduction to a proper conception of what ought to constitute an AMERICAN THEORY, on that interesting subject. It is given to the public as an essay, not as a treatise. Metaphysical refinement has been studiously avoided; and the profound dissertations of Say, and other writers bewildered in the fogs of Gothic institutions, have been made to give place to the elucidation of obvious principles, of practical utility or equitable application.

Should this volume meet with the favourable judgment of that portion of the people for whom it is designed, a *second* one may appear, to establish the correctness of the theory, here rudely sketched out in its general outlines; and which is necessary to the full illustration of the hypothesis assumed.

STEPHEN SIMPSON.

Philadelphia, Sept. 19, 1831.

PRELIMINARY DISSERTATION.

A NEW theory of political economy, at the present day, and from the pen of an American, may by some be considered as a bold and hazardous undertaking. Adventure and peril, however, are the characteristics of our country. Its physical features are stamped with an energy and grandeur, that invite to imitation.—Its moral history, and its political career, are equally distinguished for peril of achievement and novelty of execution. We are confessed to have achieved, as a nation, what no other people would ever have attempted.—The career of intellect, of science, and of arts, lies in broad characters before us; and it may surely be permitted to the most humble aspirant to add to the common stock of knowledge and of happiness.

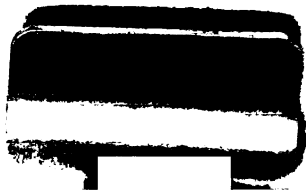
It has been left to the people of the United States, to present to the world, for the first time, a self-formed government, whose basis was established in the equal rights of man, civil equality, and common privileges: and whose end was the general prosperity, virtue, and happiness of the people. The Declaration of American Independence was the first formal annunciation to the world, that all men were born equally free—with equal claims to the pursuit of happiness—and with unalienable rights to self-government. This truth once proclaimed, flashed conviction on every mind. It became an obvious and self-evident axiom the moment it was

The author to,

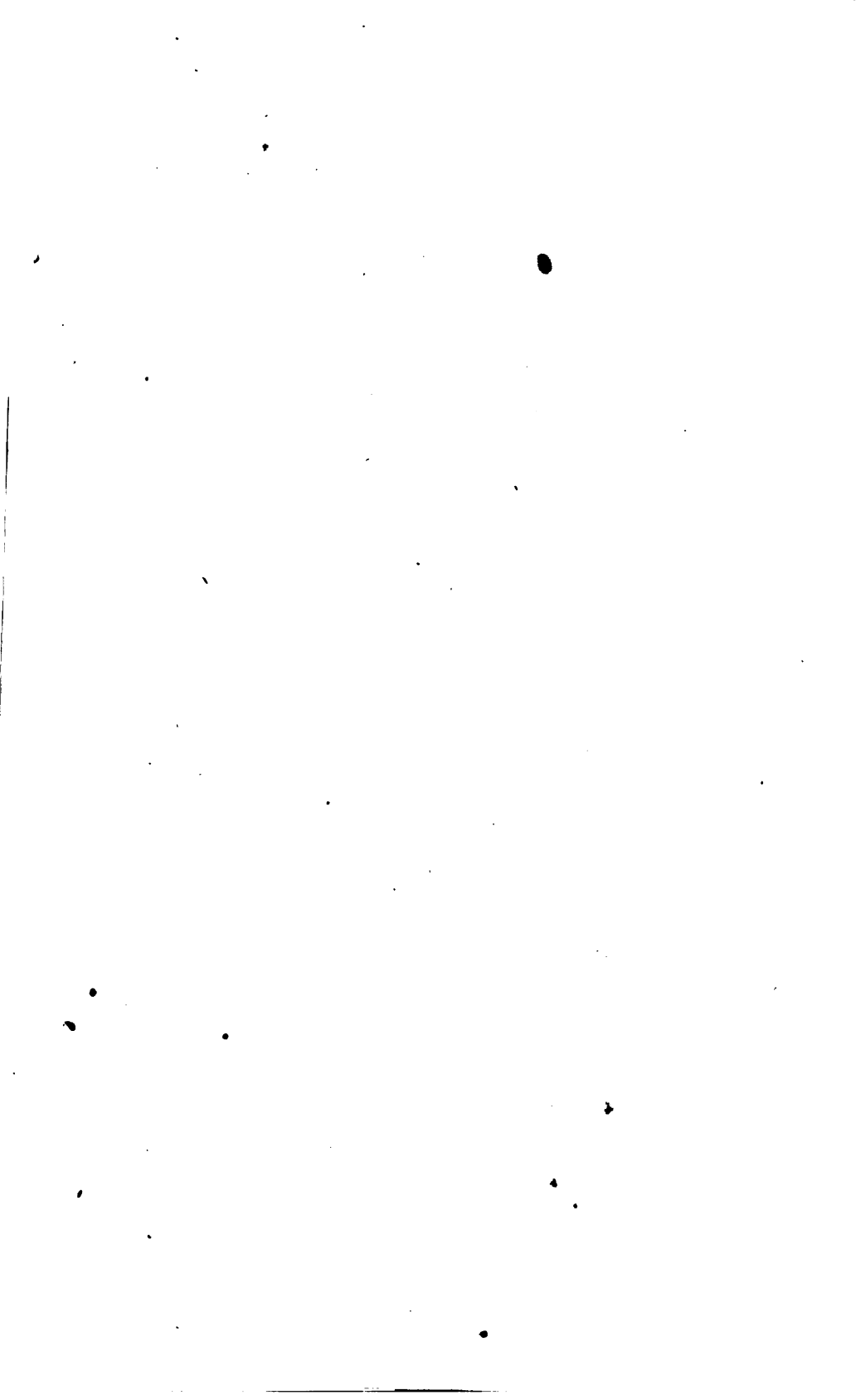
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A

GIFT OF
Miss Sue Dunbar







The author to
A. Guineen

cayed nobles—her national debt—the fruit; and the only fruit of all her crimes, save those taxes which complete her misery, and that grind her people in the dust, transform her workshops into dungeons—her workmen into slaves. The liberty to famish is, indeed, hers, in its most ample and comprehensive sense—the liberty to labour without profiting by that labour, is, indeed, that of her people; but of true, legitimate, and rational freedom, she knows and enjoys nothing—that freedom which secures to every man the just fruits of his labour, on a fair principle of recompense, above mere subsistence, and undiminished, save by a frugal contribution to support a simple and frugal government.

The condition of Great Britain is, indeed, peculiar to herself—but many of her principles, customs, and usages, are common to both countries—both having the same origin, the same common and statute laws, constitutions, and charters. From one extremity to the other of this vast Union, the origia, or the conquest, emanated from England. The royal charters of the British monarchs form the first title to most of the soil of the United States—from *Elizabeth*, in the settlement of *Virginia*, to those of *Mary, Anne, William*, and the *Georges*, in *New York, Georgia*, and the *Carolinas*—not forgetting the letters patent of royalty which bestowed this commonwealth to Wm. Penn, and Maryland to the Lord Baltimore. Here we discover at one view, the entire origin of those *unequal* landed estates, which even in this country, has reduced the industrious agriculturalist to the degradation of a mere vassal to some super-affluent and idle patroon; and which, in the best effects they produce, are so pernicious to the population of the country, by retarding its settle-

ment, and so injurious to those whose labour gives them all the real value they possess. Chiefly, however, are they to be deplored, because they create wealth independent of merit or industry, and so far tend to unhinge government from its only true and substantial foundation, by creating an aristocracy, whose origin is the royal patent for lands they never saw and can never till. When we know that the inequality of wealth is the cause of misery to thousands, this *identity* of condition, on our part, to that of England, must at once lead to reflections that inspire as much of degradation, as they tend to stimulate to reform.

It must ever form a subject of amazement and regret to succeeding generations, that at the era of the Declaration of Independence, or at that of the adoption of the Federal constitution, the common law of England, and the royal grants and titles to land, were not instantly and totally abolished, as of no force and virtue, under the new government. Such a measure, more than all others now in the power of the people, would have established society on the true basis of merit and labour in the citizen, and tended, by its own weight, to equalize property on a scale of equity and comfort, and to adjust the wages of labour in a manner conducive to the general happiness.

Next in magnitude, as one of the parents of that unequal distribution of property, and that unjust principle of distribution which now prevail, was the establishment of the FUNDING SYSTEM—another fungus of the corrupt institutions of a kingdom, from which we had declared a *nominal* independence, at the same time that we retained with obstinate infatuation, all her moral, civil, and political cancers, under the false impression that descent, propinquity, a common origin,

and a common language, ought to excite a sympathy, and an emulation, that would blind us to their vices, and so consecrate their errors, as to make it the duty of a kind of filial affection, to adopt them without examination—resting satisfied with the uncontested fact, that their *English character* alone fully entitled them to our implicit approbation. Whilst I feel no disposition to deprecate, or detract from a proper feeling of amity towards a foreign kingdom, once the fountain of the blood that circles and plays in our own veins, yet that feeling ought never to sanction English error, or lead us to adopt English corruptions. The duty imposed on us now, is that of *self-happiness*, as well as self-government,—terms that ought to be synonymous—duties that ought to mix and blend into one—ends that only are attained, when both are accomplished : and to carry them into fruition, no pseudo partiality ought to be permitted to interfere. Unhappily, and to our eternal detriment, it was permitted at the very commencement of the government. Our great statesman, Jefferson, has boldly avowed, that it was for the purpose of assimilating our institutions to those of that monarchy, and erecting a throne on the ruins of our republic : but I should rather refer this abuse to blind admiration, than to deliberate treason—to unappeasable cupidity in a penurious aristocracy, rather than to the frenzied designs of insatiable ambition.

In itself, or its consequences, the *funding system*, of all the perversions of this equitable government, is especially oppressive to the children of labour. If it did not create a fiscal necessity, it at least afforded a plausible pretext for the BANKING SYSTEM—that fruitful mother of unutterable affliction to the sons of industry—which brought us, at one fatal step, into the vortex of

of English aristocracy—overgrown fortunes and hopeless poverty—taxation through all the elements of existence—and speculation to the utter grinding down of the *producer*, to pamper the fortunes of the rich, and swell the hoard of the speculator. The *banking system* and the *funds* are, in the fiscal world, precisely what the royal grants were in the landed interest. They created even a greater inequality of fortune, by means more nefarious, as well as more pernicious; for they levied a tax directly upon every commodity produced by labour; which tax became immediately absorbed into the pocket of the *capitalist*. So that what England did through her royal charters and grants, antecedent to the Revolution, our own aristocracy deliberately committed through the *funding* and *banking* systems; whose results upon the happiness and comfort of an industrious and free people, must be estimated fully as calamitous in respect to labour, as the consequences that would attend the subjugation of the country by a foreign king, who should partition the property of the conquered people among his chiefs and followers, in large and princely domains—thus creating a monopoly of land and capital which would extort labour upon their own terms of bare subsistence.

Thus far, then, we perceive our constitution of *equal rights*, to be the merest untenanted skeleton of liberty, that the imagination of man can conceive; which by its *operation* creates aristocracy, privileges, extortion, monopoly, and overgrown fortunes—and which, by its *letter*, declares that equality of rights shall be guaranteed to all, and the pursuit of happiness be a common boon, secured to industry by the equity of her principles and the simplicity of her laws.

Such are the defects of organic law, practical govern-

ment, and property, which are thrown as obstacles into the path of the working man. In themselves these are formidable enough to intimidate the most intrepid champion of reform. But when are superadded to these, the obstacles of *opinion*, prejudice—the long descended prejudice of antiquity, flinging the odium of servility upon the head of labour—it extorts a doubt of success, even in the very moment it excites the soul to dare all perils in so laudable a task. ANTIQUITY! The word excites the most pleasing and sublime associations; but on this subject it gives rise to the most humiliating and degrading thoughts. Happily *Aristotle* knew little of the true principles of political economy; and we may pardon the ignorance of a people on that score, whose occupation was war, and whose recreation was pleasure; who spent their hours in alternate devotion to the muses, or sacrifices to their gods!

From the earliest epochs of civilized society, after its maturity, from the pastoral to the commercial state, the *producers* of wealth have, with few exceptions, and little variation, been degraded to the condition of slaves, serfs, vassals, or servants; and this degradation has even extended up to the present age. In Greece, the mechanics and artisans, with the exceptions of those branches intimately connected with literature and science, such as sculpture and painting, were mostly slaves. The same degrading custom was also peculiar to Rome, in her first ages, until the practice of *manumission*, and the rewards and honours decreed to valour in the field, gradually wore out some of the stain and ignominy attempted to be put upon those, whose lives were devoted to *useful* labour in the state. All barbarous nations, or those just emerging from the dark era to the twilight of civilization, have been remarkable for the

same confinement of labour to the class that was held in bondage. The Germans, the Gauls, and the Britons, had their *serfs*, to whom were confined the duties of all servile labour, from the drudgery of the work-shop, to the more blightsome toils and cares of agriculture. To be a gentleman, and to work, was utterly as incompatible, as to aspire to rank, and possess the faculty of *writing*; an ignorance of which in the middle ages was generally confounded with servile labour. Idleness, the pleasures of the chase, and the havoc of war, or the perils of personal combat, were then, as now, considered as the peculiar occupation of the nobles and gentry. To be useful, was to be degraded; and when we consider that even *writing* was considered a disgrace, because it required labour, we may conceive upon what whims of opinion, and customs of tyranny, rested the whole system of ranks, titles, and distinctions. Writing was then confined to the lower order of monks, who were termed *clerks*—a term which is even yet considered derogatory, as associating ideas of meanness and servility; but now writing, however, when separated from the last mentioned degradation, is considered not only creditable, but is boasted of as a mark of distinction and honour—which shows upon what frivolous grounds the whole system of *rank* rests. To labour for another, even among us of the 19th century, is held as disreputable; whilst to labour for ourselves, wipes away the stigma of reproach. In this distinction, we behold the cause and origin of that ignominy and depression which has been cast upon the working classes. In all countries, except this, they are the slaves, serfs, or servants, or the descendants of that class—stamped with the features of hard toil and hard usage—mental ignorance—brutal passion—and stunted nourishment;

their *occupation* is associated with the idea of their condition, and because bondage degrades, cramps, and degenerates man; labour shares in the same disgrace, because it is a part of the slave. Even in Russia, and other countries of the present day, our own, (*in the Southern States*) not excepted, labour is chiefly confined to the slaves; and few toil, unless scourged to the task by their masters. The condition of the working classes of Great Britain, is little better than that of the American slaves, or the Russian *serfs*, of which class they are the descendants, bearing about them all the hereditary hardships, toil, famine, and ignorance, which habit and tradition reconcile them to endure,* or which a military government compel them to submit to.

As it appears indubitably to be owing to the existence of slavery combined with labour, from the earliest to the latest ages of the world, that industry and toil have become associated with baseness and degradation—it would seem that nothing more was necessary

* From this condition of the labouring people of Great Britain, an argument has been fallaciously drawn, that under an *extensive manufacturing system in this country*, our population would become as vile, wretched and squalid as that of Europe. But this is a mistake. The British are a *serf* class, in all the essentials of degrading toil. Our operatives are *freemen*, with all the habits of intelligence, buoyancy, and education, all the qualifications of enlightened and virtuous citizens. Our population begins, where that of Britain leaves off. Her brightest sample scarcely equals our dullest. Even the philosophical eye of Mr. Jefferson overlooked this fundamental difference, when he exhorted us to *keep our work-shops in Europe*; which a principle of liberty ought to have restrained him from. Let every nation labour for itself, and not make slaves of others, for their pleasure. But the truth will show that Mr. Jefferson wrote under the influence of an atmosphere, tainted with *slavery*, and where none but slaves laboured.

to reverse the character of the productive classes, in public estimation, than to confine labour to a community of FREEMEN; and abolish every vestige of bondage and servitude. This, it must be acknowledged, is an indispensable prerequisite to divesting labour of disgrace, and investing it with ideas of honour and merit: but it cannot be deemed entirely efficient in itself. Other causes must combine to produce this salutary revolution;—previous to considering which, however, let us return to that auspicious feature in our constitution, to which I alluded at the commencement of this essay.

This is the only free government whose organic laws are sustained by the mixture of slavery and labour.—Here, for the first time, we behold a country whose mechanics, labourers, farmers, and operatives, are all eligible to the highest posts of power, where they may claim equality with kings and emperors;—and for a time be equally as absolute and mighty, in wielding the engines of human destiny. Labour brings neither disqualification, nor stigma upon the citizen of the United States, in a political capacity. His rights are confessed, recorded, and practised; honour may be his, if genius seconds his efforts; and fame may be won by him, without restriction of law.

On the part of political right, then, the *producer* suffers no disparagement from our free constitutions, whose efficiency is allowed to be complete, both in theory and practice.

Another question, however, arises. Did the constitution intend to provide for nothing beyond *mere political right*? Does not the political, embrace, necessarily, the *moral equality*? Does it not declare that equality is the basis of the whole social compact, and

that all laws and regulations, customs and usages, shall bear equally upon all the members of the community? Hence, the remarks of a celebrated writer upon the principles of our constitutions*—"The idle, who seek for wealth by chartering laws, are wiser than their equalising brethren. Law has never been able to produce an equality of property, where industry exists, but it can produce its monopoly. Our policy rejects its application to both objects, and our constitutions unequivocally disclose an opinion, that civil liberty depends UPON LEAVING THE DISTRIBUTION OF PROPERTY TO INDUSTRY; hence, laws for this end are as unconstitutional as those for re-establishing king, lords, and commons. LEGAL WEALTH AND HEREDITARY POWER, ARE TWIN PRINCIPLES. These frauds beget all the parties or factions of civil society, such as patrician and plebian, military, civil, stock, and landed. The enmity and contrast in all these cases, arise from a *legal difference* of interest, and the active and passive members of this fraudulent system, are distinctly designated by the WEALTH AND POVERTY it diffuses. In England, every seventh person draws support from the parish, at some period of his life, exclusive of those who submit to misery, in preference to the humiliation of asking charity."

Independent, however, of this conclusive authority upon the subject, it is obvious on the very face of our organic laws, that it was never designed by the people who framed this government, to grant the power, that LAW should regulate the distribution of wealth, instead of industry. I use the term Law as a generic word, embracing all the details that affect the distribution of

*Taylor's Enquiry—page 634.

wealth, such as monied corporations, chartered monopolies, and that endless chain of levers, which move industry to empty her gains into the lap of CAPITAL; and which effectually frustrate, and defeat the grand object of rational self-government, on the basis of individual freedom, and personal merit.

The distinctive features of the FEUDAL systems of Europe, which we have in form and in fact, essentially repudiated, are those of ENTAILS, NOBILITY, HIERARCHY, MONOPOLIES, which are synonymous to the distribution of wealth by LAW, instead of its *distribution* by the same power, which is alone active in its production, INDUSTRY AND LABOUR. Having shaken off, renounced, and branded those systems of antiquated barbarism, and monkish superstition, by all the great leading documents of our national existence; we are bound by the highest and most sacred ties of moral, religious, and political obligation, to bring the condition of the people, in respect to the wages of labour, and the enjoyment of competence, to a level with their abstract political rights, which rights imply necessarily the possession of the property they may produce, on principles of equity, congenial to the equal rights guaranteed by the organic law. To substitute LAW for the distribution of labour, is to introduce the chief feature of the feudal systems of Europe, into the free, self-formed, and equitable republic of this country, and amounts to a virtual repeal of the very first principle of the Declaration of Independence, and the constitutions of the union and the states.

Happily, however, for the integrity of these institutions, and the perpetuity of the great doctrines, upon which they are based; we possess a redeeming trait in our government, which opens wide the channels through

which the people may enter, to produce a conformity of practice to principle. Legislative abuses are never beyond the corrective control of a people, whose suffrages properly directed, by a judicious concentration, can periodically annul, remove, and recreate the power that is above the laws, and mould the popular sovereignty to its own will and pleasure. Let the producers of labour but once fully comprehend their injuries, and fully appreciate their strength at the polls, and the present oppressive system will vanish like the mists of the morning, before the rising sun. The power to remedy the evil is unquestionable ; it resides in the *producers* of wealth, who constitute so overwhelming a majority of the people, when not carried away by the infatuation of faction, the delusion of personal allegiance, and the vain pursuit of phantoms of liberty ; which are no sooner touched, than they melt into air, leaving the wretched follower to bewail his disappointment, and execrate his fatuity.

Nothing of a public nature, at the present era, is so worthy of the attention of the people, as the fallacious structure, and pernicious tendency of the parties now in vogue, whose foundations are as futile, as their results are nugatory to the great body of the people ; neither advancing the good of the nation, nor the prosperity of her citizens ; but blindly ministering to the avarice, ambition, or pride of some temporary idol ; who is worshipped one day, and immolated on the next. A party grafted purely *on principle*, has never yet engrossed the ardent people of this excited country : that of '98, approximated nearer to such a party, than any other, but its principles were so soon perverted, its object so soon merged into mere personal views, and the honest people were so soon duped by unprincipled

leaders, that it could scarcely lay a claim to purity of feeling, or soar to patriotism of purpose. Since that era, faction has rapidly generated faction, of grovelling views, and unholy ends, so as to cause political collisions to fester into mere cancers upon the body politic, eating into their vitality, and spreading disease and death over the whole face of our institutions. Yet have the people been enticed into their support by plausible professions of leaders, and the wheedling arts of insincere demagogues, to the detriment of their best interests, the sacrifice of their time, and the loss of their character. Lured on by the cant of party, the slang of affected patriotism, and the hollow promise of patronage, men have closed their eyes, as well as their understandings, to the deception of the game, which made use of them and their interests for the sheer and exclusive benefit of an aspiring demagogue, who, when his purpose was obtained, cast the squeezed orange from him with undissembled contempt. It is to be hoped this epoch of delusion is rapidly passing into the waste of oblivion, never to be recalled; and that the producers of wealth will now be reinforced by the former deluded followers of faction, to second their reforms, and aid them in their labours. A little reflection and inquiry cannot fail to produce this highly desirable result. Let us progress a little further in this investigation.

PERSONAL PARTIES are at all times, and under all circumstances, highly dangerous, and often prove fatal, to the liberties of a free people. They are founded on selfishness, and terminate in usurpation and abuses. They first lead to the obscurity of principles, and gradually produce a total obliteration of all the great landmarks, which are founded on the fundamental

differences of government, and engraven on the inalienable rights of man. After confounding, in this manner, all distinctions between right and wrong, justice and oppression, freedom and bondage, they soon tend to beget in the popular mind, a total apathy or indifference to whatever relates to political affairs. What is radically erroneous or pernicious, is often glossed over as right, and adopted by affection or reverence for a *name*—what is nefarious in principle, and even frightful in its consequences, is often welcomed, cherished, and promoted, without reflection, or inquiry, because a voice gilded with popularity has suggested its performance. Men of conflicting views, irreconcilable principles, and incompetent minds, are huddled together in personal parties for a moment, until some shock of interest severs them wider than ever, with embittered animosity, and aggravated feelings; or, if they cohere after the first collision, it is at the increased expense of all that is worthy of esteem and admiration in the human character. Honesty is sacrificed to expediency, truth to self-interest, patriotism to ambition, and public virtue to private aggrandisement. Honour and right can never tolerate such heterogeneous associations. The most callous and adroit knaves, in such parties, smile at the hypocrisy of one another. Mutual distrust, suspicion, and contempt sit upon the face of every thinking man of the ill-assorted group. Yet nothing discomposes the complacency of these venal spirits, and acquiescence in the ruin of their country is purchased by a bribe, a commission, or a promise of patronage, hid in the mists of the indefinite future. The *mere animals* disport with their wonted glee, under the shadow of any power, however corrupt; as there are some birds that can live even

upon the gum and berries of the upas tree. A wise, prudent, and virtuous people, therefore, in order to continue free, will never lose sight of PRINCIPLE; and as parties never can be wholly demolished, in a country where government is founded on *equality of rights*, it well deserves its attention, whether that party ought not to be embraced and cherished, which is built upon the grand fundamental doctrines of INDUSTRY, MERIT, GENERAL HAPPINESS, the *distribution of property on the principle of the WORTH of LABOUR*, and the intelligence, virtue, and comfort of the whole people?

PARTIES OF INTEREST, however, though some of them are not much better in principle, are less noxious, because one party may be brought to check, or controul another, as the party of stockholders and capitalists, may be met, and counteracted by the *party of the producers*; which is a real party of GENERAL INTEREST, whose ascendancy could not fail to shed a genial, and prosperous beam upon the whole society. Such a party would merely exhibit the INTEREST OF SOCIETY, concentrating for the true fulfilment of the original terms of the social compact, the happiness and comfort of the whole. This we now behold in those parties of the working men, who, resisting the seductions of fanaticks on the one hand, and demagogues on the other, steadily follow in the path of science and justice, under the banner of—*labour the source of wealth*, and *industry the arbiter of its distribution*.

It must be accounted a most calamitous circumstance for the sons of labour, that at the period of their emancipation, from the rigours of feudal servitude; in all countries, there should have arisen at the same time, to distract their attention, and entice them from their rights and their happiness, the turmoil, tumult,

and collision of political excitement, to lead them still in manacles, at the heels of ambitious demagogues ; and as effectually blast their hopes of competence, as the old system from which they had just emerged. This untoward event, however, is rather to be ascribed to their former ignorance of their rights, than to a wilful neglect of them. The specious colours with which capital invests her extortions ; the appearance of justice, when protected by law, in which she envelops her oppressions, all tend to blind the uninformed multitude, and even perplex the intelligent and scientific. But that era of darkness has happily passed away, and regenerated man is slowly progressing to the recovery of his violated rights, in defiance of all the formidable obstructions of pride, prejudice, wealth, rank, and intellect.

The physician, to cure a disease, must be free and candid with his patient, and his patient must exhibit neither reserve nor petulance: the wound must be probed to the bottom, all gangrene cut away, or labour and skill are both spent in vain. It cannot be concealed, it would be unwise to dissemble the fact, that the most formidable obstruction to the attainment of justice, in the distribution of labour, and the consequent opinion of honour and merit, attaching to industry, instead of disgrace, is to be found in the pride and lofty bearing of the literary, erudite, intellectual, and scientific classes. The *educated* are generally the rich ; and where the exception prevails, necessity, or accident, as in the case of labour, soon brings the object under the influence, and within the patronage of the affluent. No habit of mind is so decided and obstinate, as the contempt of learning for ignorance, or of genius for stolidity. In addition to this, the FEUDAL forms of

all colleges, and universities, place an insuperable barrier between the unlettered mechanic, and the classical dignitary. In all situations, and under all circumstances, charters create a *virtual* NOBILITY. The Doctor of Laws, the Master of Arts, and other similar unmeaning titles, betray the aristocracy of the revival of learning, under Popes, Kings, Emperors, and Princes, and express the determination of wealth, to protect its privileges by golden barriers, as well as legal restraints and intimidations. Literature and education, thus affianced to opulence, naturally feel a strong repugnance to share their intellectual dominion with the mass of society, or to look upon ignorance with a feeling of complacency, or even of tolerance. The prejudice is by this means confirmed, that the occupations of labour, not only do not require the lights of science, and the polish of letters, but that the successful prosecution of trade, mechanics, and other modes of toil, are entirely incompatible with that celestial light, which education sheds upon the mind. Thus it is, that after the shackles of feudal tyranny have been stricken from us, and our equality solemnly proclaimed, and acknowledged by the VOICE OF NATIONS, the very light which should beam upon our path, to lead us to the temple of truth and justice, is transformed to a thunderbolt, to shatter and destroy. Even this obstacle, however, will prove unavailing, and must yield to the force of opinion, whilst the press remains unshackled and the ballot-boxes free.

It is admitted on all hands by the philanthropists of the age, that the condition of society demands amelioration. They affect to sympathise with the misery, and exhort to reform the depravity of man.—They call upon the labouring mass, to cease their crime, and to

study frugality : yet refuse them education to give them a knowledge of virtue, and deny them that justice, which would rescue them from beggary. The problem lies in the *insincerity* of their concern, and is solved by the pertinacity of their injustice. By imposing the compulsion to labour for a meagre subsistence, they have degraded the minds and obliterated the principles of those, upon whom they make a requisition for qualities, which can only belong to intelligence and competence. If those who labour are already despised, they have little motive for virtue. If they are oppressed by the extortion of capital within the narrow confines of "keeping soul and body together," they have as little motive as they have room for economy. It is, therefore, a mere pretence, to affect regard for the happiness of society, and at the same time deny the means by which alone it can be happy. It is worse than pretence to say, our children cannot meet you in COMMON SCHOOLS, but we will give you for yourselves a "CHARITY SCHOOL"—we cannot consent to receive and pay for your labour on principles of equity—but we will provide you a POORHOUSE to die in—we cannot agree to treat you as equals, and furnish you education to meet us on equal terms—but we will build PENITENTIARIES, in which to incarcerate you, when you commit crime. This is the PHILANTHROPY OF THE AGE—it is worse than the tyranny of the twelfth century.

Nor yet is it the best possible physical condition of man that can make him virtuous and happy. His MORAL state controls his destiny. As he is treated by society, so will he rise or fall in the scale of human excellence and infirmity. Contemned—despised—degraded—he sinks to the lowest level of the brute. Respected, cherished, honoured, he becomes ambitious of esteem, and

aspires to excel in all that confers reputation, or extorts applause. By the one, he becomes happy himself, and the source of happiness to others : by the other, he is driven to degradation and misery, and becomes the cause of degradation and misery to others.

The *virtual* distinctions of rank, which too frequently extend into forms and titles, and which have for their basis injustice and extortion, which are the adjuncts of wealth, and which draw the line of exclusion where labour commences, are the cause of all that moral depravity, over which the pampered man of opulence affects to shed tears of compassion, and projects systems of amelioration. When the children of toil are as much shunned in society, as if they were leprous convicts just emerged from loathsome cells—the most powerful obstacle is erected between them and all that can make them estimable and happy. The family tie of the race is snapt asunder ; and man thus degraded and oppressed, would be less than man, if he did not feel enmity towards his oppressor, and view with resentment an order of things so contrary to the dictates of justice and humanity—so broadly in contradiction to his political rights, and so basely in violation of his equal attributes as a man. Here is the fountain, the sacred fountain of all revolutions—this is the point at which nature revolts—this is the point to which the productive classes have been depressed, and at which they now rebel—claiming their rights, and resolving to attain them, not by violence and bloodshed, but through the constitutional channels of action—the press, the ballot-boxes, and the power of legislation.

It is a perversion of the aims of the enlightened advocates of labour, to represent that they are contending for an *equality of wealth*, or a community of property.

Our object is as remote from that, as the existing system of extortion is from justice.—Aware that there exists in nature no equality of industry, skill, strength, talent, wit, or any of the attributes which are essential to production; we could not advocate an equality of possessions, without committing an infraction of the rights of others—and being guilty of that very injustice, of which we now accuse *capital*. Equality of rights to what we produce, is not equality of possession—for some will produce more than others. As this is one of the great perversions of our enemies, to bring odium and opposition upon our cause, it is necessary here to mark a distinction, which I shall note more at large in the succeeding pages.

If ever a party set out upon scientific principles grounded on mathematical precision, it is surely that of the working men. They are a philosophical, political, economical party. They have gone to the fountain-head of first principles, and dragged forth justice from the waters of time. They have analysed the elements of national wealth, and individual happiness—they have detected the errors of established systems, and exposed the injustice of privileged orders, vested with exclusive rights, to accumulate wealth at the sacrifice of those who produce it. Constituting in fact, though not under the banner of an organized party, a large majority of society, they have at length discovered, that they have heretofore been voting for representatives to make laws, and for governors to suggest and ratify them—on principles directly inimical to their industry, prosperity, and interest—instead of supporting men for those high trusts, who will be true to the grand fundamental doctrines of constitutional equity. Forming the bulwark of the nation in time of war, as well as the source of its

opulence at all times—they have found themselves oppressed in a period of profound peace, by a militia system, as onerous, as degrading, and as futile, as immoral—a system which never reaches to the idle drove of society, and which it smiles on with contempt. Finding their want of education an impediment to the correction of the abuses practised on them, they have claimed PUBLIC INSTRUCTION for their children, and have been answered by the sneer of derision on the one hand, and the cry of revolution on the other. It is even pronounced dangerous to let them know, what no art can now conceal from them, and no sophistry induce them to disbelieve—that they produce all the wealth of society without sharing a thousandth part of it:—that they do all the work—elect all the public functionaries—fight all our battles—gain all our victories—cause all our enjoyments to flow upon us—generation after generation, and age after age, and still remain destitute of the frugal store of competence, which ought to be the reward of industry. If there is danger in the announcement of this monstrous system of injustice, let wrong be removed, and the danger will cease: but the danger ought to exist, whilst such an oppressive result flows with mathematical precision, from the present perverted organization of government.

It is a common and sound objection to all pre-existing parties, that they are mercenary, personal and selfish—hingeing entirely upon the exchange of places by successful, over defeated politicians; not only without regard to merit in men, or truth and justice in principles—but most frequently in utter defiance of all the usual causes of rational preference of men, and public tests of benefit to the commonwealth. What a splendid contrast does the party of the Working Men

present, to such grovelling and besotted factions!—It must be matter of astonishment, to a mind divested of the yoke and harness of party, that even one solitary working man, should be found among those, who drag the car of faction, for the exclusive benefit of a few interested leaders, and inane demagogues; patricians in spirit, if not in fortune, and to their own detriment, their own disadvantage, their own oppression:—it is indeed marvellous, and not less lamentable than marvellous.

The inequality of property in this country has chiefly arisen from two causes—first, the MONOPOLY OF LAND—second, the monopoly of stock, OF PUBLIC FUNDED DEBT! Let us examine into these sources of fortune!

By what title, founded in justice, did William Penn, and the other original proprietors of land in the United States, obtain possession of princely dominions? By the gift of the British king—by royal grants and imperial charters! What right had he to give that which the God of nature had bestowed upon another?—Was the land untenanted, was it without proprietors, and did it not furnish nourishment, shelter, and home, to thousands of great nature's unsophisticated children?—The land thus given was the property of another—the gift, therefore, was null and void—as was subsequently confessed by the proprietary again becoming a *purchaser*, from him who held it in possession—the hapless, deluded, and defrauded Indian.

But even the second purchase from the ignorant savage, was still less valid and binding; and while it strikingly illustrates the extortion and guile of one party, it shows in strong colours the unhallowed means which cupidity adopts to impose on ignorance, and make that very ignorance the foundation of a title, which it presumes to style just. For, is it within the

scope of human reason, and the instincts and principles of our nature, that a few tinsel beads, and burnished trinkets, should form a just purchase money for the state of Pennsylvania?—But even that frail tenure was nominal, until the acquisition had been sealed by the blood of those proprietors, the hapless Indians, whose tenure was the gift of God, consecrated by the fiat, the sacred fiat, and the bleeding necessities of nature. Nation after nation of defenceless Indians must be immolated, before even the gift of the king was worth a groat. Yet this is the foundation of most of our inequality of fortune—this, and the public funded debt.

Of a character even more unjust is the funded debt of this perverted country, and its abused institutions. The funding of the poor soldier's pay, earned during the horrible trials of our revolution, could scarcely have been expected to contribute to the detriment of labour, and erect customs, privileges, and classes, subversive of liberty. Yet so it proved. Did it go to the poor veteran—his helpless widow—his shivering orphans? No!—It was diverted from its pure channel by the patrician officers, and greedy capitalists, and hungry speculators of the army, and of the government. It was adopted with a full knowledge that it never could reach the soldier, but must immediately go to form a monied aristocracy; and the funded debt was created by those immediately interested in its creation—by those who had bought up the soldier's certificates for a song! Here then, we behold the origin of the landed and funded wealth of this country; of what we denominate capital! What labour or industry, could ever come in competition with such enemies? The land in fee simple to those who never, perhaps, saw it; and the funded debt to those who never paid for it, in sums too enor-

mous for industry to equal, and too tempting either for the practice of virtue, the observance of justice, or even the abstinence from oppression. Here we have a double burden upon industry—a ground rent to the proprietor for ever, by the labourer; and a tax, or duty, to pay the stockholder his interest, paid by every working man, from the time of the Revolution to the present day. And yet we are told, and gravely told, that capital is the best friend of industry; and that capitalists, merchants, stockholders, gentlemen and lottery brokers, produce their portion of the wealth of the nation—always giving a due share of credit to those highly meritorious characters, beggars and misers! And yet these latter characters are made by the operation of the corrective principle of vicissitudes—by the spending of the prodigals, and the economy of the beggars. This system of social economy, I must confess, appears to me not less a strange one, than it is utterly inconsistent with the spirit of the age, and repugnant to the dictates of a liberal and unaffected philanthropy.

In ancient times, when government was more a matter of chance than of science, and the rights of man were either imperfectly conceived, or never distinctly defined—it became a sort of obligation, imposed by filial reverence and piety, as well as (in some measure) of necessity, that an emigrating people, when settling new countries, should carry with them the rites, customs, and institutions of their forefathers—thus making the infant colony a *fac simile* resemblance of the mother country. This was the case with the *Trojans*, the *Phrygians*, the *Greeks*, the *Romans*, the *Saxons*, and most, or all of the nations which have preceded us in existence;—nor, would it perhaps have conduced to their happiness, under those circumstances of contigui-

ty, which made them such near neighbours, had they attempted new and untried systems. No parallel, therefore, can be found on the page of history, to the peculiar settlement of the United States. Our origin was *sui generis*. Severed by a boundless ocean from the nations of the old world—rising into existence in a new age, when government was a voluntary compact, and polity reduced to a science; we had every opportunity to cast off the gothic trammels of the antiquated kingdoms of Europe. But like all other people, we came from Europe fettered by the prejudices of education, the fond recollections of early life, the deep impressions of filial piety, and the instinctive desire to tread in the steps, and adopt the customs of our sires. Discoveries made under the flag of the king, invested the right of dominion in the royal person;—and the character of the monarch defined and conferred the title of the first settlers, who thus representing the radiations of royalty, brought to a new country, stupendous, grand, and fresh in all its features—the little and grovelling systems of imbecile and degenerate Europe, utterly repugnant to that sublime scale of creation, which they beheld surrounding them on all sides, and which they soon felt, was calculated to infuse into the mind of man, ideas of grandeur, happiness, and independence, totally incompatible with the worn-out customs adapted to the emaciated and shrunken forms of the old world. To breathe the atmosphere of America, gave a new elevation of sentiment to the European emigrant—it inspired his mind with novel and bolder ideas; it dilated his trunk to greater vigour; it excited his heart to conceptions of heroism, and schemes of magnificence. *Independence* was written upon every spot that attracted his eye. Within the scant settle-

ments of the royal provinces, a feeble glimmer of the old monarchy might still be seen, and the trappings of law and civilization occupied a narrow circle; but no man was bound to observe the limits, and all might pass them, whenever enterprise, heroism, or discontent, excited him to plunge into a *new region*, where the untamed grandeur of nature invited him to become himself the monarch of the woods; the only flaw in his title, the precariousness of his life; and the only disputer of his crown, the fierce Indian, whom the dread of famine drove to slay the invader. But the naked and feeble savage presented no serious barrier to the onward march of European warfare, and civilized weapons. Every breeze invited man to burst from the indistinct boundaries of law and civilization, to take up his mansion in the wild mountain, or the noiseless valley, where all traces of *monarch*, of *law*, and of *obedience*, were soon obliterated from the mind. There is something in the sacred wildness, and deep-toned solitude of the woods, that kindles a spirit of independence in the heart which scorns the power of kings, and revolts from all rule save that of reason. This spirit became more bold and fierce, with every accession of population, with each extension of our settlements, until the voice of royalty was lost in the murmurs of our forests, and the thunder of our cataracts. An authority weakened by a distance of three thousand miles of ocean, could excite no fear; and a power claimed and exercised in virtue of *hereditary* right, could exact no obedience, and excite no respect, from a people, who beheld around them infallible evidence that all men were equal, and that reason and justice only were the laws of nature. As soon, therefore, as the first generation that had emigrated had passed away, and with them the shackles

and prejudices of education had fallen off, the *American Revolution* commenced; not immediately in acts of oppugnation, or deeds of violence and bloodshed; but in the more rational and dignified investigation of the tenure of royal power, and the injustice of coercive government, without the ingredients of voluntary compact, or express representation. Having established this equality of rights, and necessity of representation, the war of the Revolution commenced; and finally eventuated in the recognition of the principles contended for; that all have *equal rights*, and that the delegated mass of those rights, by compact, forms the only just and free government.

The object gained was sublime and magnificent in the highest degree. But it is the weakness of human reason, to relax its vigour, the moment it has acquired a conquest. The very hour we established the principle of *equality*, and the fact of *nominal political independence*, we submitted to all the *forms, usages, and trappings* of the old gothic monarchies, whose deformity we detested, and whose oppressions we had cast off. The contradiction, however astonishing it may appear to us, did not seem to be perceived by the worthies of 1776; whose attention was entirely engrossed by magnanimous ideas of augmented friendship with those nations, whose notions of government and claims of power we had just exploded, in the best blood of our bravest sons. Thus, what we gained in *principle*, we lost in *practice*; and opened our arms wide to receive the *laws, customs, manners, fashions, morals, literature, arts, science, and manufactures* of our defeated enemy. In doing this, we voluntarily became *dependent* in fact, while we proclaimed ourselves to be independent in theory: and in virtue of the theory, we became reconcil-

ed to every custom that could possibly operate against its realization. Reason, and the genius of our institutions, directed us to follow an opposite course. Governments, to be sustained and perpetuated, must be followed up by manners, fashions, customs and laws, congenial to their *peculiar principles*; or they become degenerated, perverted, and turned from their *original* end and spirit. The manners of a people under a monarchy ought to be the reverse of those under a republic: and vice versa. But we were willing to adopt a democracy, and at the same time cherish all the appendages peculiar to a monarchy: and the consequence now is, that while the government is republican, society in its general features, is as *regal* as it is in England. The tendency of so unnatural a state of things is twofold—either the government must tend to *reform the people* to simplicity; or the vices of the people must result in deteriorating the government. It is like a watch, constructed partly of *jewels*, and partly of *metal*—the attrition wears out the latter, because it is the softer substance, and a general derangement of the whole machine is the consequence.

The revolution of 1776, therefore, is, I contend, not yet fully accomplished; and all that part which relates to a moral change, remains to be effectuated; that of '76, merely being a *political* one—a separation of governments, without such a separation of manners, as is necessary to give the former permanence, and full effect. To come down to particulars: let us begin with *law and local politics*. The retention of the *common law system* of Great Britain, was a vital error in our infant jurisprudence; being a *gothic* system of crude and barbarous customs, as inconsistent with the equality of our government, as the creation of an *order of nobility*. To

this error, was added the still greater one of the adoption of the *statute laws* of that realm, so far as to admit them as *conclusive precedents* in our courts. In local polity, our error was still greater. Several of the states adopted the old royal charters of *Elizabeth, Charles I. and Charles II.*, as state constitutions; many of which remain to this day, a stigma on our reason, and a sarcasm upon our liberty. We fell into the same fatal delusions, in respect to *education and literature*. Nothing *new* was suggested; or if suggested, never allowed to take root. *Oxford and Cambridge*, in England, were the models of our literary institutions; and a system of education devised in the midnight of the dark ages, was adopted as the routine of instruction for a *free people*, in a boundless range of country sparsely populated, in the meridian era of the nineteenth century; when science and intellect had outrun the sublimest conceptions of the greatest geniuses of half an age ago! In minor seminaries—in those schools, where the *great body of the people* receive their knowledge, and form their principles—the *school books of London*, constituted the sole fountain of instruction: a fountain tainted with lessons that inculcated a love of the *king*, or reverence for the *nobility*, and a passion for pomp, show, and regality. Of late years, this blemish has happily been removed; and in our popular seminaries, always the most important, an American system of *school literature* has been successfully introduced, congenial to the free spirit of our institutions. This reformation was long resisted by prejudice and aristocracy; and nothing but time, enterprise, and perseverance, have succeeded in superseding so irrational a system—a system equally at war with knowledge and liberty; for of what use is a genealogy of kings, lords.

and dukes, to an American ; or how can it conduce to his happiness, or his freedom ? The same prejudice now operates against a reform, equally desirable, in our *general literature* ; which is still IMPORTED exclusively from England : as if she only possessed a climate formed by nature for the happy development of intellect and taste—a climate peculiar to herself, and denied to all other nations. The prejudice against American authors and their productions, is but a part of that great infirmity, which has stigmatized us by the inconsistencies and contradictions already alluded to. A partiality for our own offspring is a natural affection, and a laudable weakness ; and in relation to the literature of nations, the same preferences ought to be cherished, as the means of happiness, and the safeguards of liberty. Whoever contemplates the load of trash that inundates this country from the book-shops of England, and reflects upon the fact, that when a neglected American author transports himself to London, his works are sought with eagerness, and devoured with avidity, will confess to the truth, that it is the *place* where he writes, and not the *quality* of his writings, that stamps him with genius, or gives sterling currency to his wit. The prodigious influence of literature, upon the minds and manners of a people, makes it of incalculable importance, that it should emanate from *American minds*—minds imbued with the love of liberty, and animated by a spirit *congenial* to that which pervades our constitution, and is calculated to advance our glory !

The importance of having the habits and manners of a people correspond to their government has never been duly appreciated by American statesmen : for it extends even to that *system of manufactures* which receives the name of *American*, as a sign of pre-eminence.

Our manners and habits should all conduce to happiness, simplicity, and independence! TITLES should be totally abolished; and personal distinctions reduced so as to admit of easy access to all. Forms, pomp, grandeur, luxury, and expense, on a magnificent scale, ought to be discouraged. What is called "good society," is a *regal fungus* upon our social system; engendered by a desire to imitate foreign luxuries. In this regard, we have not yet commenced our *American revolution*. The whole field lies wide spread before us. Let it not be imagined that I am inimical to good breeding, refinement, literature, taste, all that ease and polish which renders social intercourse the charm of life. I am only inimical to the exclusive assumption of "good society," by the rich, and the vain, the stockholders, and the idle. It should be the aim of a genuine philanthropy, to impart the benefits of good breeding to all the members of the human family, if practicable. This may be done by diffusing the blessings of education; by qualifying the working classes to mix with and converse with the more cultivated, polished, and refined. If ignorance and rudeness are made the pretext for a separation of classes, and a distinction of ranks, remove the causes, and let the barriers of separation be broken down, by the omnipotent lever of intellect; at least so far, as congenial knowledge spreads her influence over the mind of the community, and assimilates in a bond of brotherhood those now repellent prejudices, which sander man from man, as if an animal of another species, whose approach was incompatible with honour, safety, happiness, and even existence.

The prejudice of occupation cannot long endure, after the influence of education has approximated closer the extremes of society. Merit will always attach to

industry and labour, when blended with the social and intellectual virtues, in despite of pride, wealth, and vanity; and contempt will as invariably follow *personal uselessness* and *mental impotence*, however gilded with the external trappings of fortune. Instinctive admiration pays the spontaneous homage of applause to all who overcome the obstacles of life, by vigour, industry, energy, and intellect. "A brave man struggling with the storms of fate," presents a spectacle of the sublime, which kindles universal applause! Whilst enervated grandeur, on its throne of state, or bed of roses, excites little other emotion than pity and contempt. As it is mind that makes the man, we have but to combine intellect with labour, and the task of equal happiness is completed: teach those who toil, how to think, and toil will no longer be degrading, however humble, or however poor.

To some, this consummation of a civilized age may appear visionary. But let it be remembered that at one period, all the improvements which subsequently arose, were adjudged impossible. Time and mind are the creators of human destiny, which accomplish more than miracles, and produce revolutions that only fail to astonish, because they enlighten.

It is only under the dark and hush policy of silence, that abuses can expect to continue, extortion to thrive, capital to luxuriate, and monopoly to expand. With the Bible locked up in a dead language, and science mystified into a being of the upper skies, as unapproachable to the people, aristocracy and priestcraft would rule the world with a sceptre of iron, and yoke the souls, as well as bodies of the people, in eternal servitude. The effort of capital and power, is always on the side of ignorance in the people, and injustice in the principles and

laws of the government. Inquiry, discussion, argument, are esteemed deadly enemies to aristocracy, extortion, fraud, and oppression of all kinds, that denude the people, and fatten the few of the high privileged classes. It is the attitude of capital to intimidate, repress, silence ! But if the people will speak, it is then made a point to cover them with ridicule—to treat them with contempt—to tell them they are not initiated, and speak too much upon subjects they know nothing of. To all this I stand opposed, and against it shall never fail to array the little strength that nature has given me.

Before the Revolution, it was esteemed absurd to question the right of the king to tax the colonies. Before the reign of English king John, it was ridiculous to doubt the divine right of the monarch. There was a time when it was judged the height of folly to declare that the earth moved : and it was punished as impiety, to say, that the other planets also had their revolutions ! The application of steam, as now used, would in ancient times have been termed *madness*. The doctrine of the sovereignty of the people has only been rational, since it has been reduced to practice ; in despotic countries, it is still thought to be silly and absurd. When the working people gain their just rights, to controvert the doctrine of extortion will no longer be deemed illogical, dangerous, unscientific, and absurd. That time must arrive, and if I can do aught that will tend to accelerate it, I shall esteem it the most happy, honourable, and fortunate effort of my existence.

Yet it is not, after all, a party object, merely, for which we are struggling. It extends to higher and nobler aims ; it reaches to the expansion of our national resources—the consolidation of the national strength—the increase of our moral, as well as physical energies.

Congenial to all her principles, customs, and habitudes of mind, was the manner in which the gothic ages enveloped science in mystery, or mistook mystery for learning. The refuge which literature found in the cells of the Christian monasteries, necessarily associated her in habits of such intimacy with religion, as reciprocally to impart to one another their peculiar properties; so that when science at last emerged from her retirement, she appeared babbling the cant of superstition, and covered with the rags of fanaticism and the mummery of priestcraft. So inveterate is habit—so deep the sense of reverence for antiquity, that even the present age has not yet wholly shaken off the trammels of mystification that encumbered science in the darkness of the cloister. It is still held as heresy, that a man who labours shall dare to think; and that he who thinks shall venture to write, unless under the license of a *diploma*, or the authority of a literary title. To obstruct the passage of the populace to the temple of knowledge, as much as possible, the impediments of an obsolete language, and a hieroglyphic character, were industriously thrown in their way. The union of church and state presented powerful motives to withhold from the multitude those beams of intellectual light which would expose their oppressions, and reveal their rights. The safety of a system based upon *wrong*, depended upon darkness. As mankind, however, gradually tore the veil from their eyes, they partially redressed their wrongs; but as the light has never been full and effulgent, the wrong has never been entirely removed. Progressive developements have been made in defiance of the systematic opposition of the combined power of government and aristocracy. Further advances are still obstinately resisted by the same powerful influences.

Every inch of ground is disputed ; and every fresh conquest of reason, truth, and justice, only tends to add vigilance to capital, power to monopoly, and rancour to aristocracy.

When we reflect, therefore, that the first discovery and true doctrine of the rights of man, and the title to property, are not more than a century old from their first glimmerings of pale uncertainty ; we need not express astonishment that they have advanced no farther, and still retain the rude proportions of an imperfect structure, partaking more of the heterogeneous gothic style, than of the fair and just proportions of science and taste. But the mind, although slow in its march, is yet sure in its progression. Every day adds new truths to science, and divests knowledge of its monkish garments of mysticism. Every day gathers fresh crowds of votaries to the shrine of scientific inquiry and research, and sends forth thousands to disseminate truth, invoke justice, and denounce fraud and oppression.

In the following pages, I have endeavoured to strike out some new truths—establish some disputed rights—and elucidate the operations of labour, capital, monopoly, credit, and commerce, in their natural and unsophisticated features. The principal object was, to divest science of the mummery of its pomp, the mystery of its trappings, and the cant of its phraseology, as well as to exhibit the real attitude and importance of the producers of labour, to the wealth, happiness, and independence of a nation. According to Lord Bacon's rule of philosophizing, I have drawn my theory from facts, and not deduced facts to suit my theory ; resting upon the great fundamental doctrines of human happiness and freedom, however deficient they may

prove in ingenuity, their origin and tendency will never fail to afford solace and consolation to the author, for the omissions of ignorance or the blunders of precipitancy—so long as he can escape the imputation of being inimical to the rights, or indifferent to the happiness of mankind. Proceeding on this plan, I have rather laboured to elucidate and break down antiquated forms, than to systematize and digest with scholastic precision. Truth is often “curtailed of her fair proportions,” by a too rigid classification on scientific principles. A general division of political economy, however, may not be amiss, when founded on its chief fundamental principles—such for instance, as the production, distribution and consumption of industry.

It has not, however, been so much owing to an ignorance of this science, as to the misapplication of its principles, and the great perversions and misrepresentations of the champions of capital, and the stock interest—that the people have hitherto derived no practical benefit from its labours. Thus far, science has only toiled to show to the idle *few* the means by which they acquired the industry of the *many*; and the facility with which imbecile minds, backed by wealth, could rule millions who were debased by eternal labour, and degenerated by penury, famine, and low diet. At the same time, that these feudal ministers of mercy, in the shape of abstinence and death, have the assurance to proclaim to the people, that the beneficence and wisdom of government have made them comfortable, affluent and happy. By confounding the wealth of the higher orders with the *unity of the nation*, the gross amount of industry in a country, has been represented as so much stock of comfort to the *whole people*; a fallacy which sagacity could not overlook, and which

nothing but conscious fraud, intent upon deception, could have devised. But such a cloak was necessary to cover oppressions, which no people, however debased, could perceive and yet endure. Among the foremost of these apologists of tyranny, and deceivers of the populace, stands Adam Smith, who, so late as in the last century, thus ventured to assure the *English mechanic* that justice entered into the system which stripped him of his earnings, to pamper the *three orders*, whose only title to respect was idleness and sensuality; speaking of the causes of the prosperity of Great Britain, he enumerates among them—"That equal and impartial administration of justice, which renders the rights of the meanest British subject respectable to the greatest, and which, by securing to *every man the fruits of his own industry*, gives the greatest and most effectual encouragement to every sort of industry." B. 4. c. 7.—Wealth of Nations.

Here the equality of *law* in respect to the *legal* principle of the distribution of labour, is construed to mean the *justice* of the existing mode of distribution; and the impression is produced that every British subject enjoys in fact, and in law, an equitable proportion of the fruits of his industry! This announcement is made in the very teeth of the starving population of Britain; and it continues to be iterated even to the present day. But what is the law in fact?—That it secures the distribution of property on the existing basis of capital, monopoly, extortion, and an idle stock-interest, which *appropriates to themselves* the fruit of every man's industry; leaving the producer barely sufficient to sustain life, on the most unwholesome and meanest diet—so that the very *reverse* of Smith's proposition becomes manifest; and the fruit of every man's labour, instead

of going to enrich himself, contributes to swell the hoard of accumulating capital ; augmenting the wealth of a nation, as a *unit*, but causing a deplorable degradation and degeneracy of the mass of the labouring people.

Similar deceptions mark the course of every writer on political economy, in a greater or less degree. They are very exact in tracing the manner in which *capital* extorts from industry, and very scientific in their distinctions and classifications of the elements of society ; but they studiously avoid any application of the natural principles of justice, to the comfort of those whose labour creates wealth, by insisting on a system consonant to a more equal distribution of industry.

Where shall we look for the triumphs of science, but in the improved happiness of man ? Of what utility are all our recondite researches, and intellectual investigations, if they tend not to exalt the race, and better the condition of the human family ? Surely an enlightened age cannot rest satisfied with the measurement of its wealth ; content to behold it measured, and indifferent to its appropriation ? What opinion should we form of an architect, who resided in an old gothic tower—destitute of commodious apartments, and without beauty, or convenience—who should satisfy himself by measuring its ill-assorted proportions, instead of building up a new one, on the true principles of beauty, convenience, and comfort ? We should, without hesitation, compassionate the unfortunate state of his mind, and exclaim, What infatuation ! what folly ! Similar to this is the conduct of the political economists of Europe, who look up to their gothic tower with sensations of reverence approaching to adoration ; so that passion blinds them to its deformities, while interest tells them, with-

out it, their despotism and aristocracy must soon crumble to atoms, and capital and monopoly roll in the dust, together with the heads of kings, and the mummeries of hierarchies!

The only writers on political economy in Europe, who approach the system of natural justice, and a rational application of the principles of labour, to the advancement of the comfort and happiness of man, are the French. Among these, *Sismondi* holds the first rank for the humanity of his doctrines, touched with some heresies of opinion, and inconsistencies of theory. *Say*, holds a middle attitude, between the darkness of the gothic principles of vassalage, and the light of true modern philosophy. Let him but step down from the pedestal of *feudal* custom, and he will become the pioneer of justice to a grateful posterity, a task to which I proudly aspire, in the following pages, but which the consciousness of humble abilities forbids me to reach.

The errors of *Say*, however, are those of *systems*, not reason, or science. He is fettered by the manacles of extensive reading, and the ambition of recondite research. By adopting the theory of excess of population, and the insufficiency of production, to account for the penury and famine of the labouring classes, he has forever closed his eyes to the light of simple truth, which refers those calamities, not to beneficent nature, but to perverse, selfish, and rapacious monopoly. Yet to the French writers, upon this, as upon all subjects, are we indebted for the first gleams of reason, and of justice, that shone upon the dark towers of gothic usurpation, violence, and despotism. Wanting nothing but a favourable position, to perfect their science, we acknowledge their labours with gratitude, and presume

to repay them, in part, by suggesting the rational and humane sequel of the principles, and truths, they have the merit of starting.

It is a singular infatuation prevailing among all modern writers on economy, that the scarcity of food among the labouring people is attributable to excess of population, whilst the palpable fact was staring them in the face, that the excess of bloated accumulation in the rich, demonstrated the falsity of the hypothesis.

There is some apology, however, for the economists of Europe, in the fact of the genius of their institutions presenting an insuperable barrier to the effectuation of the principles of justice, in the distribution of labour; inasmuch that the people do not there enjoy universal suffrage. This reform of society, must be accomplished in the halls of legislation, through the action of suffrage, in the choice of the representatives of the people. Like the abolishment of the laws of primogeniture and entails, we must commence with laws establishing the true principle of the distribution of wealth. To do this, the producers of wealth must co-operate through the usual means of commanding a majority of voters, and of representatives—by PARTIES—by combinations among the *wronged*, never to vote for men who will favour the principles that oppress them:—by exhortations to the mass of the people, to remain faithful to themselves: by public expositions of their grievances—public appeals to support their rights—and an inflexible determination to abide by the principles of our declaration of independence, and our national charter; until they shall become practical and real blessings, instead of nominal and visionary honours. Such are the means by which “the industrious classes of our countrymen

shall be enabled better to obtain and secure the fruits of their industry"—and with those fruits the blessings of education and knowledge—without which liberty is a burden, and competence a curse.

The spirit which operated to the vassalage and depression of our Working People—is the same spirit that introduced the SLAVE trade, and peopled our southern plantations with a human race, doomed to *eternal toil*, on condition that they should have liberty to breathe and receive the scanty pittance of subsistence, whilst the fruits of their labour pampered their idle masters, whose luxurious pleasures were coined from the blood of their hearts.—It is the same spirit which dooms tens of thousands of noble English, to all the horrors of squalid poverty, in order that ONE Earl may wear his coronet, riot in his castle, and wring from the hard hand of labour the last doit of its earnings.—The Poet, *Goldsmith*, has so beautifully and so faithfully described, or rather painted in the colours of truth, all the effects of this inhuman usurpation on the *happiness of man*, that I cannot refrain from quoting the passage; which, at the same time that it touches the heart, brings the most ample conviction to the mind:—it is pathos and argument—feeling and reason—so felicitously blended, as to afford unmixed delight.

“Ye friends to truth, ye statesmen who survey—
 The rich man's joys increase, the poor's decay,
 'Tis yours to judge, how wide the limits stand
 Between a splendid, and a happy land.
 Proud swells the tide with loads of freighted ore,
 And shouting folly hails them from the shore;
 Hoards, even beyond the miser's wish abound,
 And rich men flock from all the world around.
 Yet count our gains. This wealth is but a name
 That leaves our useful products still the same.

Not so the loss. The man of wealth and pride,
 Takes up a space that many poor supplied;
 Space for his lake, his park's extended bounds,
 Space for his horses, equipage and hounds;
 The robe that wraps his limbs in silken cloth,
 Has robb'd the neighbouring fields of half their growth.
 His seat, where solitary sports are seen,
 Indignant spurns the cottage from the green;
 Around the world each needful product flies,
 For all the luxuries the world supplies.
 While thus the land adorn'd for pleasure, all
 In barren splendour, feebly waits the fall."—

This, however, is an English picture; and although it carries too many traits of resemblance to social life and political tyranny in our own country; still it is shaded by dark contrast, when brought into comparison with the American scene.

THE WORKING MAN OF THE UNITED STATES,

Placed by nature in a moral and physical attitude, which conspire to carry to perfection all the attributes that ennoble his mind, and procure happiness to his being—presents to the world the imposing spectacle of Liberty and Reason combining, to consummate Justice. For the first time, since the origin of government, he presents the instance of the sovereign power, residing in the producer of labour, to be exercised at his pleasure and discretion.—HOLDING THIS WEAPON OF SELF-DEFENCE, HE CANNOT BE OPPRESSED, BUT THROUGH THE CONCURRENCE AND ACTION OF THOSE TOUCHED WITH HIS OWN CONDITION.

CHAPTER I.

Of Labour.

MAN is the only animal, whom nature has doomed to depend on his own labour for subsistence, comfort, and happiness. He comes into the world naked, hungry, and defenceless; unprotected from the inclemency of the elements, unprovided with food, raiment, and shelter. With sensibilities superior, and wants more numerous than any other animal, he is made to rely on his own resources of genius, skill, ingenuity, and foresight, for all those possessions which gratify his appetites, minister to his pleasure, and stimulate to his improvement.

Compelled by a law of his nature to produce, and to acquire, in order to prolong his existence, it is self-evident, that all which he produces, or acquires, must be his own: for man must have existed anterior to society, and even society terminates in the happiness of the individuals who compose it. This axiom is universally recognised and adopted in all the laws which violate its spirit, by substituting chance, force, or fraud, for labour.

The first effort of man is to procure *food*, the second, *clothing*, the third, *habitation*. These constitute the first elements of wealth, and are produced by industry and toil. Beyond these, imagination riots in fictitious wants, and intellect, soaring to sublime heights,

creates a new world, the offspring of its own power. These constitute the SECONDARY elements of wealth, and are classed as LUXURY, SCIENCE, LITERATURE, and the FINE ARTS.

The very first stage, in the first elements of wealth, is one of inequality. One man is stronger than another, one is more industrious, another more expert, skillful, and ingenious; and according to this diversity of powers, would be the unequal possession of wealth in all.

But no man in the order of nature, could become the master of wealth, without industry, labour and skill. That no man might be idle, nature furnished him with an impulse, which when he is indolent, inflicts the sting of pain—and when he is employed, rewards him with a sensation of pleasure. It was an impulse necessary to his preservation, and without which, his nature could never attain to a high degree of perfection.

The very efforts of industry would soon produce inequality of possessions. Some would become comparatively rich—others comparatively poor, according to the diversity of their physical and intellectual powers; but this inequality would never attain to a pitch to inflict misery, or to produce extortion. It would be a wholesome allotment on a scale of harmonious dependence, favorable to the competence and happiness of all. The difference between the powers of man, is not so great, as to produce a vast disparity in their productions and acquisitions, without the intervention of some agent of a character extraneous to industry and skill; as chance, fraud, force, law, or some custom arising from a combination among the strong, in violation of the rights of the weak; or among one *ascendant* interest, seeking the destruction of all others: as stock

attempting to crush industry, or capital and monopoly to rule as the arbiters of wealth.

Notwithstanding, therefore, the scepticism of David Hume, in whom, however, there is some inconsistency,* and his school of philosophers, there does exist one instinctive sentiment of property, and that is *labour*:—this being the root, or original instinct, from which flow all other ideas and principles, connected with CONTRACT, INHERITANCE, POSSESSION, PRESCRIPTION, &c. . The authority of kings, and senates, of laws, and usages—the decisions of judges, and all the forms of refined civil society, although they may sometimes, or even generally, violate this original instinct, yet they never can altogether disregard its decrees, or erase it from the statute book of nature. The great test of this first principle, is found in this invariable and eternal fact, that without labour, there can be no property; maugre the manner in which we nominally come to its acquisition. If an ancestor bequeaths me a thousand acres, unless labour converts them to a useful purpose, they are without value: if I fell the timber, labour is the agent: if I till the ground, and produce grain, labour is still the active principle of wealth. I may sell them to another, but still the same process

* Hume often refined his arguments into contradiction—and even here he is an authority in favour of labour. He says, “Every thing in the world is purchased by labour; and our passions are the only causes of labour. When a nation abounds in manufactures and mechanic arts, the proprietors of land, as well as the farmers, study agriculture, as a science, and redouble their industry and attention.” “Every person, if possible, ought to enjoy the fruits of his labour, in a full possession of all the necessaries, and many of the conveniences of life. No one can doubt but such an equality is most suitable to human nature, and diminishes much less from the happiness of the rich, than it adds to that of the poor. It also augments the power of the state.” Vol. 1. pp. 280—2.

is in constant operation in some form, and whatever I receive in payment, or howsoever I may invest the proceeds, it will avail nothing without labour, which is the living spring that supplies all the channels of wealth, trade, manufactures, agriculture, and commerce.

Natural agents are but the basis of human industry. Water courses, and water power, its decomposition by fire into steam—the peculiar combination of heat and moisture—the current of a stream, fertilizing a tract of country, and various other forms of matter produced by natural agents, would be of little, or no utility to man, without labour. Animal, vegetable, mineral, and other riches of nature, all require the labour of man to apply them to useful purposes. But these primitive sources of wealth, are so extensively known, and so obviously implied in all disquisitions upon political economy, that a more elaborate notice of them may be dispensed with. I doubt the utility of an extensive dissertation upon the chemical combinations and mysteries, that bestow the powers of fecundity, and clothe the earth in the bounties and the beauties of her fruits, and her flowers—her mineral riches, and her vegetable stores. Political economy to be useful, must soar above primitive principles, to their more remote relations—it must not be confined to an essay on acorns, or a dissertation upon the chemical elements that conspire to the production of a cabbage, a cucumber, or Indian corn. In no climate, however, that I know of, would natural agents, unassisted by the labour of man, furnish him with food, raiment, habitation, and defence: but to attain to civilization and science, wealth, literature, and refinement, would be utterly impossible by them alone. They form the basis, but must not be considered as a con-

stituent of wealth. Wealth is exclusively the work of man, (of the man who labours;) without his labour, the fruits of nature would rot, and prove as transitory, as the seasons that produced them. Natural agents, left to themselves, might sustain human life for the time, but never could produce wealth. On man it has devolved, to nurse, husband, cherish, and operate upon the agents and productions of nature; and his reason and industry are only equalled by the creative powers of God. The labour of man is the efficient cause of all the value of natural agents and productions, considered in relation to wealth.

The prevalent opinion, that gold and silver constitute wealth, and which must be classed among the vulgar errors of the age, will be shocked to learn that they are nothing but the symbols of riches: and in respect to labour, have the same basis as the other metals, upon which it operates. These two metals are the only species which serve the double purpose of currency, and manufacture. Their intrinsic superiority over the other metals, gives them a greater value—as they are more rare, and their properties finer; but still they are no more a constituent of wealth, than iron, brass, copper, or lead. But adopted as a measure, or gauge of industry, they are more useful, because more rare; more fine, and less liable to destruction, and decomposition; as well as held in universal esteem for their beauty and utility. As far, however, as they constitute the wealth of the community, they are indebted for their value, like every thing else, to labour. A bar of silver, or a lump of gold, is a mere raw material; and although it is of more worth than an equal quantity of iron, that does not alter its character; for lead is of more worth than iron; yet this inequality of value, does not affect their

equality as subjects for labour. A country could be very prosperous, and replete with all the comforts of life, without either gold, or silver. Our habitations, our farms, our well-stored granaries, our ships, our cattle, our looms, and our ploughs, would be as perfect and as entire without gold and silver, as they would be without diamonds and precious stones. Sparta in the height of her glory and prosperity, banished their meretricious glare from her virtuous and frugal domain. The converse of the proposition will illustrate in a still more striking manner, the truth of this doctrine. Suppose a country filled with gold and silver, but without industry, or labour! It would be utterly worthless:—and if it could even be used in a commerce with foreigners, to purchase all the comforts and luxuries of life, it would be worse than worthless, it would be pernicious; and speedily sink them into a state of sloth and degradation.

According to the order of nature, whose unalterable laws never can be violated with impunity; and which serve as the infallible criterion of justice—no man is born for sloth, and none can be slothful without bringing the pain of punishment upon themselves, or upon society.—*Ennis* is the torture of idle wealth.—The happiness of the moral, as well as the comfort of the physical man depends upon occupation and industry.—Idleness, whether induced by riches and luxury, or the innate apathy of the soul, disturbs the harmony of the divine system—producing confusion and misery; for the idle are never happy. He who labours not, must either perish, or subsist on the labour of others. Hence it is, that the rich lay the burden of their existence upon the poor, whom their riches create; and whilst the one becomes satiated with repletion, the other pines away a

miserable existence, stinted of every comfort, and deprived of all enjoyment.

No one can be ignorant of what constitutes WEALTH ; houses, lands, roads, and all commodities which command the attainment of other commodities—or their symbols—gold, silver, or paper currency—although the latter is almost too precarious to be classed so high.

In the foregoing reasoning I have proceeded on the ground, that all the producers were freemen, entitled to the product of their labour, on the principle of EQUAL RIGHTS. The results and the consequences would of course vary essentially, as they have done everywhere, if the producers, or labourers, were the slaves or serfs of the lords of the soil ;* or of the nobility and higher orders.

I would define labour, *the active exercise of the body or mind, in the production of what is conducive to the happiness, comfort, and improvement of man ; whether useful, pleasurable, or luxurious.*

* "The ancients, besides those who attended on their persons, had almost all their labour performed, and even manufactures executed by SLAVES, who lived, many of them, in their family ; and some great men possessed them to the number of 10,000.—One Roman nobleman had 400 slaves under the same roof with him.—Then, as is now enforced on the working people, the slaves were forbidden to intermarry ; as they were allowed but a bare subsistence out of their labour : except on very extraordinary occasions."—Hume.

CHAPTER II.

Of the Division of Labour.

CORVAL with labour itself almost, or very soon after, would be its division into various trades and occupations. The fertility of the land, under the action of one man's labour would yield a superfluous beyond what he could himself consume. So with every species of industry; and their producers would seek to exchange with one another, that portion of their superabundant labour, which would otherwise perish, or remain useless on their hands. A very brief experience would in this manner, lead to the complete division of labour. Indeed, the division of labour is so immediately incident to its production, that it may almost be termed one of the instincts of our nature. It is certain that it existed prior to all laws, and civil institutions. The very nature of the human faculties, qualified only for limited and imperfect performances, would dictate this separation of trades and occupations:—in the first instance to a less degree, but as soon as the primary and rude efforts of production were passed, and as man gradually became ambitious of excellence and skill, it would assume the maturity of a more settled system; and that system of the division of labour which we now behold, in the several occupations and trades, would prevail.

To the division of labour, we are indebted for most of our wealth, and for all that we prize as elegant, perfect, complete, and substantial; for all those appen-

dages that belong to what we term civilization and refinement. Without this variety of occupation, we should forever remain in a state comparatively poor, and barbarous. It is not only the parent of wealth, and elegance, but it is the mother of *invention*; that divine faculty, on the strength of which man seems to pass the barriers of his nature, and create a world beyond him. The vast improvements in *machinery*, the invention of machinery itself, the application of the power of steam to propulsion, manufactures, and speed, besides other wonderful discoveries, are obviously traceable to the *division of labour*, the brilliant success of which in the physical sciences, has stimulated the moral philosophers to imitation, as well as physiologists, and physicians; and the *division of study*, or MIND, is now becoming so general, as to inspire a hope of the most brilliant results from this economy of the attention and faculties of man.

The division of labour has no bearing on, or application to the production, or distribution of it. It is a simple modification, and involves no principle from which to deduce justice, or truth.

I am aware that a different opinion has been propagated; and that the division of labour has been used as an argument with which to clothe the merchant in imperial robes, as the great father of wealth. The fallacy of this position must be self-evident. The merchant, who is a mere factor, or agent, has no influence either in producing, or controlling the division of labour. But of the merchant we shall speak more at large, under the proper head.

A few more observations are necessary on this subject. It is almost self-evident, that the division of labour must have been long anterior to the existence of

merchants. We have the fact historically, and may see it demonstrated in our new settlements in the west, that the division of labour is the first operation of all societies, and always precedes their action of trade into foreign parts, or regions far remote from their vicinity. The division of labour, or its separation into distinct trades and professions, must evidently have been coeval with the first efforts of industry itself; and was never dependent upon the suggestions or functions of the merchant. It is impossible to conceive how these reasoners could have conjured up this idea. We have the history of Sparta, where the division of labour existed without merchants. The history of China a few hundred years back, presents a splendid illustration of the same kind, to a very amazing extent.—Rome had no commerce, and no merchants, at one period of her magnificent greatness; yet the division of labour was complete, and her labour immense. The merchant is the last profession formed by civilized society: he is the finishing of all—he is the result of the pre-existing division of labour; but he is not a necessary result. Factors and storekeepers both precede the origin of merchants, and merchants come last.

Equally strange is the assertion that, "without their operations, but few material products would exist." The merchant is a concomitant of the age of luxury; the fruits of labour are the consequences of the necessity to sustain life. To provide food is the first impulse to labour—to secure shelter the second—to procure raiment the third. Brute nature satisfied on these points, the passions then come in for their wants. What they produce is too well known to require specification.

CHAPTER III.

Of Trade—Barter—Exchanges.

THE first stages of human industry would exhibit little inequality of wealth, and no suffering from poverty. The product of labour would be distributed from one hand to another, by the exchange of equivalents, or barter; one producer exchanging his stock with another for a different commodity, until all were supplied with comforts, and conveniences. This simple, easy, and equitable mode of exchanging equivalent for equivalent, is the natural dictate of the mind, and it is this *simple principle* which directs the commerce of the world, in all its complicated relations, and modifications of refinement. The intervention of coin, paper money, and other *measures of value*, being the mere *symbols, or representatives*, of the real equivalents which thus pass in exchange.

In this era of labour,—extortion, injustice, and monopoly would not be known; the bulk of the commodities passing in exchange, being equally a hindrance to monopoly, and a check to injustice. Hoarding and accumulation could not be attributes of such an age. Cupidity and avarice might be felt stirring up the evil principle of the soul, to oppress its brother; but it would be confined to the restless bosom of its creator, until other modes of trade and commerce had been suggested by the ever progressive ingenuity of insatiate man.

In this pastoral age of honest simplicity, which, it cannot be doubted, every indigenous people have enjoyed in their primitive era ; and which was partially, even the condition of this country, upon its first settlement—we perceive the *principle of justice*, which ought now to obtain, in relation to the distribution of wealth, that industry should be the only measure of its own value ; as the revolution of the earth round the sun, is the only true measure of time, notwithstanding the substitution of pendulums and clocks, which it governs and corrects, and which so aptly illustrates the justice of this measure of value, in respect to industry and its fruits.

Let it not be imagined that I desire to throw back society to the pastoral state, because its primitive relations disclose the principle of justice, which secures to every man a proper equivalent for his labour. We may surely profit by an analysis of the present complicated relations of society, without attempting the futile, and preposterous task of throwing it into convulsions, or stripping it of its foliage and fruits, arising from civilization and refinement.

In the process of barter, or exchange of one commodity for another, the standard, as well as measure of value, is true and invariable. He who sells fifty bushels of wheat for an acre of land, possesses a perfect knowledge of what he is to receive as an equivalent. There is no elasticity, no variation, in a given amount of wheat, land, or any other article of trade. But when the equivalents passed, are in the form of the symbols of wealth, money, whether gold, silver, or paper, certainty of standard, or measurement exists no longer. Here LAW begins to be substituted for fact, and the tremendous power of CAPITAL commences the appli-

cation of its lever, to remove the relations of equity between the buyer and seller ; to strip the PRODUCER of the just wages of his labour, and frequently to crush industry beneath its overpowering weight.

The only true and just medium of exchange, is *gold and silver*, in a commercial state of society. But this also depends on the rectitude and good faith of law makers, that they do not vitiate the coin, or vary its quality. For property depends upon the *caret of value*, as much as upon just weights and measures. The nominal dollar must be a dollar, as the nominal pound must be a pound, or fraud intervenes ; and property is abstracted without an equivalent.

CHAPTER IV.

Of Capital—Capitalists, &c.

NATIONS no sooner become a little advanced in the production of labour, and familiar with the exchange of equivalents, in the way of barter, than they grow impatient of the restrictions of this contracted mode of commerce, to facilitate and extend which, they invent and introduce the symbols of wealth, by which means the accumulation of industry begins; wealth becomes more unequally distributed; and a new era of affluence commences, under the form of CAPITAL.

CAPITAL is the superabundant aggregate stock of labour, in the hands of individuals, government, and nations. Some writers have mystified the question by restricting it to *stock, cash, ready money*, or some current representative of labour, easily convertible into gold, silver, or commodities. But this meaning is too contracted. A CAPITAL may consist of land, houses, farms, stock, slaves, manufacturing machinery, or any other mode of labour, as a stock of goods, ships, stores, or cattle.

All capital, therefore, is *produced* by the working men of a nation, although they seldom attain to, or possess it, owing to a wrong principle, regulating the distribution of wealth, by which capital is almost solely acquired by the idle speculator, the wary monopolist, or the sordid accumulator.

Capital in itself is not an active agent of wealth,

but a passive instrument, whose ability to produce depends on its application by the hands of labour. It may engross, and monopolize, and stimulate, but it cannot *produce*.

Many, and very serious errors are afloat in regard to capital. A man, who is proprietor of a large property, of houses, and farms, which he rents out, fancies he produces all their crops, and pays all the taxes to government. This is delusion; it is the tenant whose labour produces the crop, and whose labour pays the tax. So the merchant fallaciously conceives that he pays all the imposts to government; whereas he pays only in proportion to his absolute consumption. He who has a large family, and no capital, pays more annually in duties, and taxes, than many capitalists worth a million. It does not now require to be demonstrated, that it is the *consumer*, who pays all the charges on the article consumed.

The two great constituents of the wealth of nations, are LABOUR and CAPITAL: the first may be termed the active, constant, and never failing source of wealth; the latter, the passive instrument, by which industry multiplies its products, when properly employed and directed; but when dormant and inactive, capital possesses no utility, beyond the mere quality of being susceptible of a possible application, to the purposes, enjoyments, and comforts of life.

Capital, according to its application, may be made to repress and check—or to stimulate and advance industry. When invested in corporations and monopolies, it produces the first; and when divided and dispersed among the active sons of labour, it begets the last, the most happy and beneficial consequences. An industrious mechanic, or manufacturer, may be unable to

maintain a large family by the wages of a journeyman ; but give him a small capital of two or three hundred dollars, and he immediately derives a profit from the labour of others, in addition to his own, as it enables him to hire two or three young labourers, or journeymen ; so that instead of one hand (himself) he has the product of the labour of four, six, or ten.

But as small capitals are conducive to happiness and industry, in this way,—large ones become pernicious, by giving to one great capitalist, the profit of the wages of hundreds and thousands of workmen ! In some immense factories of England, (as well as in this country, though on a smaller scale) thousands of workmen drag out a half famished existence ; whilst the capitalist who lives at ease in London, perhaps rioting in all the sensuality of a court life, amasses million upon million : Here then, we behold capital degrading and enslaving mankind ; making society vicious, wretched, and ferocious on the one hand ; and proud, cruel and oppressive on the other. In this country, we are daily approximating to the same horrible inequality ; owing to that tendency in capital to attract, extort, and accumulate from the wages of labour ; besides legalized monopolies—grinding down industry to the scanty pittance necessary to sustain life. Man, selfish, ambitious, proud, avaricious, and vain, delights in being superior to his fellows ; and even when the desire of fortune is gratified, the habit of extortion and the ambition of riches remain, to torture himself, and oppress the poor !

If capital were always auxiliary to the objects of labour, and assisted in the equitable distribution of its wages, we should have so few poor, ignorant, and vicious, that almshouses, public schools, and penitentiaries would be unknown among us ; whereas, under the

existing system, science, genius, and philanthropy, are baffled by these overgrown and bloated remedies of a spurious and oppressive method of government.

If capital were not the enemy of industry, in most of its forms, we should not behold it in the shape of monopoly; nor giving birth to combinations on the part of labour to counteract its baneful operations. "Who's born for sloth?" I answer, the capitalist—the idle, luxurious, extortionate capitalist! And as truly as the sun drinks up the morning's dew, so does the idle capitalist absorb the just substance of the man of labour; stripping from his children's limbs what should clothe them—taking from their mouths what should feed them; and keeping from their immortal souls what should instruct, enlighten, and save them—"Who's born for sloth?" Yet, how many thousands upon thousands live upon the sweat of the poor man's labour, in idle pleasure, and suicidal vice. Nature decrees it otherwise—justice decrees it otherwise—reason proclaims it ought not to be so; but proud, oppressive, overbearing, cruel man, while he admits the fact with feigned regret, ascribes it to "circumstances;" and insists that wisdom and virtue are only compatible with satiety on the one hand, and starvation on the other!

In more forms than I can exhibit, the testimony of history, and the voice of experience announce, the full force of my position—that all wealth is produced by labour; for what is wealth but the sum of our necessities, comforts, possessions, and enjoyments? Is not labour necessary to produce these? Can capital, *idle* and inert, add to them? No,—capital is dead, inert, passive, and can only be an active agent in the hands of him who labours; therefore capital never adds to

them;—but industry, assisted by that capital. Let us illustrate this position.

Suppose a person possessed of \$55,000 capital, resolves to purchase a sugar plantation in Louisiana, and from this investment derives an annual increase of \$10,000. I ask, does his capital produce this result? Let us analyze into the elements of this operation. He pays for land \$10,000—for utensils \$5,000—for *slaves* and *cattle* \$40,000. His slaves are the working-men—they plough the ground, plant the cane, gather it, press it, and perform every office of labour. Take away his slaves, and in place of them, let him have his \$40,000, and he will never produce another crop. Yet the capital remains entire, though it fails to produce the increase. The labour, then, is the efficient cause of his wealth; without which, he can obtain no product. How then can it be ascribed to the inert and passive mass of capital? In the same manner, trace the source of the income of the stockholder capitalist. The money is loaned to, and the interest paid by, somebody who employs it upon labour, directly or indirectly, and the labourer pays six per cent. of his industry for the use of the money. It is not the capital that produces the interest, but the labour. Suppose the planter of sugar, as above stated, to be the borrower of \$55,000—he pays the stockholder capitalist, out of the product of his crop \$3,300 per annum; and instead of making \$10,000, he makes for himself but \$6,700, by being obliged to share his profits. All stock or capital, in this manner, produces its gains through the action of labour. The merchant, like the planter, grows rich by absorbing the labour of others; but which he speciously covers by saying he is usefully employed—and truly he is usefully employed in regard to himself, when

he proves fortunate in his speculations, and finds a good market for the produce he trades in. He is also usefully employed in proportion as he stimulates others to labour and industry, ingenuity and invention.

The true and just mode of distributing labour is, by giving value for value. The sugar planter must subsist his slaves and his family, and he transfers to the wheat producer a sufficiency of sugar to supply them with bread—and the same to the manufacturer of cloth, blankets, muslins, &c. His exchange of values may be justly carried on by a metallic currency, either gold or silver. But the moment it is effected by bank bills, funded debt, or any capital of a fictitious character, fraud is introduced, and value for value is no longer given or received. Hence, charters and monopolies of banking, the funding system, and government patronage, create what Taylor calls "an aristocracy of interest, because these laws divide the nation into a minority enriched; and a majority furnishing the riches." This minority became rich by fraud—by passing off fictions for value, because the law has made it obligatory for the producer of value to receive these fictions as an equivalent, when they are not equivalent. Most of our capital is of this fictitious kind. If we had none but what is really capital—gold, silver or real property—perhaps capital would no longer prove the enemy of labour, nor the cormorant of industry. Such, however, is not the fact. What is monopoly? Capital combined; to acquire the product of labour without value, and to dispose of it for more than value. In this brief definition, we have a full display of the extortionate character of capital, as it generally appears in the present age. In not more than one instance in a hundred, can capital now be found separate and dis-

tinct from monopoly, in the current operations of trade and commerce. On this subject I have challenged, and do still challenge, any specification to the contrary; save only partial exceptions which cannot invalidate the general principle. By no other means than this fraud, monopoly, and unjust distribution of labour, could the idle few grow rich, and the industrious majority remain poor. But not only is the capital a monopoly, but by these means credit also becomes a monopoly, confined to the idle few, and denied to the labouring majority, who are thus pressed down by a double act of injustice and oppression, to poverty and want.

Capitalists live and grow rich by the labour of others. The labouring man lives by his own industry, enriches others by his own industry, but very seldom grows rich himself. Is this just?

Manufacturers and husbandmen form the bulk of every nation; and now, that all the world is producing for itself, for its own consumption, we may perceive the utter insignificance of merchants to the wealth of a nation. It is not a creditable assertion, to represent the great body of this, and indeed of every nation, as tribes of wandering Arabs, and uncivilized Indians. It would not be just to affirm that this was done with the intention of contumely and contempt; yet it has certainly been too much the disposition of those who riot in palaces, to hold the working people in contempt; looking down upon them with the glance of scorn, and arrogating a right, to not only undervalue their importance in the scale of being, but to extort their earnings in virtue of the monopoly of capital? For capital is naturally a tyrant; always standing on the alert to grind down the mere operative, who lives from hand to mouth, and who must sell, because he must eat. Capital commands

all the passions and faculties of a people : it buys all they produce, at half price ; it keeps them in a state of perpetual labour, without enjoyment, and smiles at its own power and superiority ; while the wretch it fattens on, shrinks, withers and dies, from the very famine it imposes on him. Being then naturally a tyrant, it ought never to receive vigour and nourishment from public opinion—from unequal institutions—from legal monopolies—from the imaginary horrors of public journals ; lest the working people should awaken to a due sense of their real importance in the scale of society, and shaking off their lethargy, and treading their ignorance and ideas of servitude under foot, rouse themselves to a proper vindication of their violated rights, and a restitution of their extorted labour, through legal enactments and constitutional ordinances. We propose no wrong to capital and capitalists, but that they shall do no wrong in law and equity—leaving them even, all the wrong which they naturally and inevitably commit, from the sweeping immensity of their power. And for this, terror is affected, and revolution forebodingly deprecated ! If this is not adding insult to oppression, it is certainly seeking to conceal error amidst the fogs of absurdity, and the philosophy of romance.

The merchant's prosperity and the success of commerce, then, being so entirely dependent on *labour*, it follows that every cause which tends to burden and depress industry, such as bank credits, stocks, and fictitious capital, must prove extremely pernicious to the merchant and his trade ; as all paper capital and money operate as a heavy tax upon labour, and the interest of the merchant consists in buying labour as cheap as possible, so that he may have greater profits by the sale.

NOTE.—Mr. Hume has so beautifully described the origin of the *Merchant*, on principles so purely scientific and just, that I cannot

abstain from presenting it to the reader, as worthy of his attention. *Every thing useful to life*, says that philosopher, *arises from the ground*; but few things arise in that condition which is requisite to render them useful. There must, therefore, beside the peasants and the proprietors of land, be another rank of men, who, receiving from the former the rude materials, work them into their proper form, and retain a part for their own use and subsistence. In the infancy of society, these contracts between the artisan and the peasants, and between one species of artisans and another, are commonly entered into immediately by the persons themselves, who, being neighbours, are easily acquainted with each other's necessities, and can lend their mutual assistance to supply them. But when men's industry increases and their views enlarge, it is found that the most remote parts of the state can assist each other as well as the more contiguous, and that this intercourse of good offices may be carried on to the greatest extent and intricacy. Hence the origin of *merchants*, one of the most useful race of men, who serve as agents between those parts of the state that are wholly unacquainted, and are ignorant of each other's necessities. There are in a city 50 workmen in silk and linen, and 1000 customers; and these two ranks of men, so necessary to each other, can never rightly meet, till one man erects a shop, to which all the workmen and all the customers repair. In this province, grass rises in abundance: the inhabitants abound in cheese, and butter, and cattle; but want bread and corn, which in a neighbouring province are in too great abundance for the use of the inhabitants: one man discovers this; he brings corn from the one province and returns with cattle, and supplying the wants of both, he is, so far, a common benefactor. As the people increase in numbers and industry, the difficulty of their intercourse increases. The business of the agency, or merchandise becomes more intricate; and divides, subdivides, compounds, and mixes to a greater variety. In all these transactions it is necessary and reasonable, that a considerable part of the commodities and labour should belong to the merchant, to whom in a great measure they are owing. And these commodities he will sometimes preserve in kind, or more commonly convert into money, which is their common representation. If gold and silver have increased in the state together with the industry, it will require a great quantity of these metals to represent a great quantity of commodities and labour. If industry alone has increased, the prices of every thing must sink, and a small quantity of specie will serve as a representation.

CHAPTER V.

● *Of Commerce—The Merchant.*

COMMERCE, or the interchange of commodities between one country and another, was of the earliest origin in society; as the first struggle, after having attained to comfort, would be to indulge in luxuries, and acquire fortune. The thirst for novelty is one of the strongest instincts of the soul, and the most exquisite pleasure is to reach that which is difficult of attainment, or enjoy that which puts life in peril to arrive at the fruition of.

It is evident that *production* must have advanced to the possession of superfluity, before commerce would be invented or practised, to open a vent for those commodities, which experience instructed us we could spare without inconvenience or pain. Hence, LABOUR must have produced a redundant stock of industry, before commerce began to swell her sails in quest of foreign profits, and exotic fruits.

The merchant is the agent, or representative, of those who labour. Let us analyze his character. He builds a ship: How? Not surely by his own hands. No—but the shipwright—the blacksmith—the ropemaker—the sailmaker—the manufacturer of sail cloth—the boiler of tar and resin—the hemp grower—the wood cutter—the Sawyer—and all the other numerous labourers come into the account of the production of the ship. What

agency has the merchant? He pays in money borrowed of the banks, for the ship:—he pays with the wealth of the labouring man, for a vessel that the labouring man has constructed! So far the merchant produces nothing; not even the philosophical wealth which the utopians of economy talk of, but which I never yet saw, and never before heard of. Well—to proceed in the analysis; the ship is brought to the wharf—not by the merchant—but by working men! She is loaded—not by the merchant, but by working men! Does the merchant *produce* the cargo? No! it is the product of the cotton planter—the grain grower—the mechanic, the manufacturer! She is laden; and sails for her destined port! Who works her there, but the working men. She returns with coffee, sugar, cocoa, pimento, hides, &c. Did the merchant produce these? No, like the outward cargo, they are the simple fruits of labour. The merchant, therefore, produces no wealth; although he deals in the wealth produced by others' labour. The error is one of superficial observation, and has its origin in education, which too often instructs us in ignorance, and rears us to error. It is the twin delusion to that idea alluded to in one of my preceding chapters—that the merchant pays all the duties to government—whereas he pays nothing—but acts as the agent of the consumer; as he does in his business for the producer. The merchant is unquestionably useful in his sphere of action; but he produces no national wealth by his own labour; his gains are the gains of speculation, extortion, and monopoly, except what he gains for, or rather pays back to the producer, which is the real wages of labour, and constitutes exclusively the wealth of the nation.

I marvel not, that some have fallen into an error which pervades all society—that the merchant pro-

duces national wealth, and that commerce is the fountain of riches ; an error propagated by the imposing force of wealth, pomp, pride, circumstance, and aristocracy, of the mercantile character,—an error analogous to that which invests a general with the sole glory of a victory produced by the valour of his troops ; and which decrees to an English noble, who is a large landed proprietor, but never saw his own land, the credit of an agriculturist ! Absurdities of this gross character, are not to be admitted by an intelligent community of scrutinizing freemen.

The legitimate merchant is only entitled to his commission, which is a deduction from the wages of labour, and the profits of the working man. The merchant, after all, is nothing more than the agent of labour, mutually authorized by two foreign countries, to exchange their commodities, and surplus produce and manufactures. With the business of the merchant I am perfectly familiar ; I have been one—know all his operations, and have studied all his principles in practice and in science : and cannot but smile, when I hear his claims enforced to the character of a producer of wealth.

“Material products,” are objected to by some as wealth—and our meaning is pronounced unphilosophical. I must confess I am perfectly ignorant of any other but “material” wealth, unless it be the philosopher’s stone. I know of nothing that has worth, in this sense, that can be called wealth. Even a bank bill, although almost immaterial, still has worth—thanks to the working people, who make it worth anything. If they will show us immaterial wealth, we will believe in their philosophical doctrine of unsubstantial worth.

I do certainly maintain, that one part of society does produce all the wealth ; and that is the labouring part.

Agents, merchants, &c. produce nothing; not an iota of wealth. They acquire it by standing between the producer and consumer; but they, no more than the capitalist, give it birth. Imagine a nation of capitalists without working men! Would it be a rich country? On the contrary, it would be the poorest on earth; and must soon consume all its capital, which would be transferred to some poor but industrious people. Spain furnishes an illustration to the point as to capital, and Great Britain is an apt example, in regard to labour.

Suppose a rich man to have half a million invested in the funded debt of the United States. What support does his capital yield to labour? None. On the contrary, to pay the interest on that capital, government imposes a tax upon every pound of coffee and sugar that the working man consumes in his family; besides other necessaries and comforts, with which he cannot dispense. Place the same half million in a monopoly, and the wages of labour suffer proportionably an unjust diminution. Here are cases, and others might easily be adduced, where capital and labour are "opposite interests." The only cases to the contrary, are those which exhibit capital, in limited amounts, actively applied to the pursuits of industry, so as to stimulate to a fair competition of prices.

In this country, a monied aristocracy intercepts the just wages of labour to the industrious man, and snatches it from him. Chartered banks exhibit a combination of men of capital, to monopolize to themselves the means of commanding all the commodities of labour at their own prices! The working people are jealously kept out of the circle of bank accommodation; and, if they want to borrow, they must apply to a wealthy capitalist, who is, perhaps, a director, and who very

graciously discounts their paper at five per cent. per month, because they are not known in bank !!

If it can be shown how capital produces wealth without the action of labour, I will consent to abandon the proposition, that the working people are the sole authors of our riches. The onus of this rests upon those who dispute the fact.

The great error of society on this subject, consists in their ascribing to those who *represent* the interests, or proprietors, or producers of wealth—all the credit due to the bona fide producer, or owner. Great credit of wealth attaches to a bank, because money is there deposited, yet, at the same time, the bank may be entirely insolvent. So it is with merchants. They pass large sums, and great quantities of merchandise through their hands ; they pay immense duties to government on behalf of the consumers ; and thus obtain all the credit due to labour and industry.

It must not be imagined, that I desire to disparage the merchant, because science compels me to maintain a principle, that throws him out of the productive and labouring class, which creates the wealth of the nation. As one who acquires the labour of others, by the performance of a useful agency, he is entitled to his full portion of merit in the scale of society ; but he has heretofore received more than his portion, having usurped all that belongs of right to the agriculturist, the manufacturer, and the mechanic. According to the rule of assumption, which has thus invested him with borrowed robes of honour, the profession, of all others, which should soar highest in the scale of productive industry and national wealth, is that of lottery gamblers and brokers ; they occupy the very apex of usefulness, and add most beautifully to " the sum of our

comforts and enjoyments." More industrious than the merchant, they are ever employed in the composition of puffs, tickets, shares, expresses; now putting into circulation million upon million; stimulating industry and rewarding enterprise; at one time, causing the temple of the true God to rear its imposing altars to the skies; at another, removing obstructions in the navigation of rivers; then excavating canals; now building rail roads, and finally erecting colleges, hospitals and grave yards! What more useful agent in the wide world, than a lottery broker! Yet, in what particular does he add to national wealth? Does he augment our stock of labour? No; but he is more laborious, and trades in more money than even the merchant! The chances of his acquiring wealth are at least equal. But so far is he from producing wealth, that the lottery agent is only busy in an idle waste of it; he lives upon and consumes the labour of others; and in the train of fatal consequences which attend his useful toils, are vices, passions; and crimes, that desolate society with wretchedness, while they levy a heavy contribution upon the honest, the industrious, and the wise.

The champions of mercantile supremacy, in the scale of national wealth, have laid so much emphasis upon their corrective principle to social misery resulting from the unequal distribution of wealth, that I am constrained to give it some consideration. They say, "there is a principle in human nature which would tend to restore the natural equilibrium of society, how often soever that equilibrium might be deranged by circumstances. The principle we allude to, is the desire of enjoyment, which prompts the rich to spend, and the poor to save."

Here is certainly abundant consolation for the poor!

Here is ample justification for the extortions, frauds and monopolies of the rich! It is thus gravely declared, that a principle of injustice in the distribution of wealth, shall be compensated by the rich enjoying the fruits of that injustice, and the poor suffering its privations. We recollect this remedy of the patricians of old. They said, enjoy your poverty, we will enjoy our riches! This is certainly a most benevolent project for the alleviation of social misery! But I must take the liberty to suggest, that wisdom would rather seek to avert the evil, than to reconcile the afflicted to its endurance: that justice would rather make a restitution of right, than enter a plea of possible retaliation, through the wasteful passions of enjoyment, prodigality and pleasure.

Some of the advocates of the mercantile interest, losing sight of the philosophical truth in the glare of magnificent affluence, have contended that without merchants, national wealth could not exist. A nation of working men, without merchants, would not be so deplorable, however, as some have imagined. They would possess all the mechanic arts, manufactures, sciences, roads, canals, agriculture, and all the modes of labour that produce wealth! For what does the merchant fabricate of all this? Not an iota. He can export flour to Europe, and import broadcloth in return; but if he did not this, we should manufacture our own cloth, in place of raising the redundant stock of grain. Mr. Hume has imagined a country in this enviable condition. He says: "The republic of Sparta was certainly more powerful than any state now in the world, consisting of an equal number of people; and this was owing entirely to the want of commerce and luxury." In fine, commerce has no more to do with the production of wealth,

than it has to do with the production of population; it exchanges commodities of different nations; it is the *medium* of human comfort and enjoyment, and resembles in this respect the nature of money, which is not wealth, but the medium of exchange, and the representative of labour. Yet it may excite, and stimulate to labour and industry, in the labouring classes.

A celebrated writer on our American anomalies of policy, principle, and constitution, has these excellent remarks:—

“All separate factitious interests pretend that they benefit nations in some mode, too intricate to be investigated by the mass of mankind. Thus hierarchies and noble orders yet retain a specious existence. Of all such pretences, banking resorts to the least intricate. It gravely tells nations that it enriches them by taking their money; that by emptying a quart bottle of half its contents, the residue will become three pints. If a nation possessed a certain quantity of bread, would it be increased by depositing it in the hands of a corporation; and paying ten per cent. for receiving the residue on the credit of the corporation bread notes?”*

By the same principle, we arrive at the fact, that the merchant, like the incorporated bank, absorbs from the fund of labour, instead of producing it. If the nation possessed a certain mass of agricultural and mechanical labour, would it be increased by placing it in the hands of the merchant, and after paying them ten per cent. commission, take their notes for the balance? How much would our stock of labour augment by this operation? It would be diminished precisely ten per cent. to the producers; which sum the merchant would acquire. Neither banks nor mer-

* Taylor's Enquiry.

chants can ever add to the stock of industry, however much they may abstract from the producers to enrich themselves.

The operations of stock brokers present another striking illustration of the fallacy of that position maintained by the adulators of the commercial interest. How immense are the transactions of these money-agents! How extensive their influence—how momentous their movements—how decisive their conduct upon the questions of war and peace, and the final destiny of empires! It would be a curious subject for contemplation, to behold the method stated, by which these agents produce the wealth of society, which they so lavishly deal in. By forestalling the public funds, they compel the producer, who, by economy or superior industry and skill, saves a portion of his labour, to pay them a tax of 10, 15 or 20 per cent. for the privilege of buying a stock, which to hold, is so much less worth on his account. How is the wealth of a nation increased by the stock broker? This would be as difficult as to show how it is produced by the merchant. I am aware of a new-fangled doctrine that prevails in some minds, that whatever creates a demand for labour, increases the wealth of society; that the man of luxury, of fortune, of idleness, adds as much or more to the riches of a nation, than the most laborious operative. But a glaring fallacy is easily detected in this doctrine; for admit it to its fullest extent, and it is nothing more than the old principle of stimulating industry by the free circulation of labour, or the expenditure of capital. This doctrine we have already animadverted on; but it may still be susceptible of some remarks at a future day, that may exhibit its true features more distinctly.

Taylor, to whose excellent treatise I have before referred, makes this sagacious observation: "Poverty is justly exasperated against the wealth which caused it, but it temperately contemplates wealth flowing from industry and talents, and not from fraudulent laws. All laws are fraudulent that authorize monopolies. It knows that as one man's industry cannot make another man poorer, so wealth gotten by legal means, without industry, must. And if aristocracy is introduced into the United States by legal modes of dividing property, violent animosities between the rich and poor will attend it to a greater extent than in other countries, because the means of controlling them are less."

He continues—"By suffering industry to distribute property, industry will be created. It teaches no vice. It bestows health and content. It is a pledge of virtue. It doubles our happiness, by enabling us to blend it with the happiness of others. Its benefits reiterate and spread like the undulations of the waves. Yet the hags, feudality, hierarchy, privilege and stock, have successfully been preferred as regulators of property, to this charming Goddess. The distribution of property by law, first introduces in government what I call an aristocracy of parties."

Wealth gotten by legal means, (not industry) must make other men poorer. If the merchant is a non-producer, as I conceive him to be, he can only become wealthy by other means, that is, by abstracting from the labour of others; by taking his ten per cent. for being the depositary of the products of labour. The proposition that industry shall distribute property, can hardly meet with an opponent, and forms the basis of a system of political economy that justice sanctions, and benevolence approves.

No writer on economy is superior to Alexander Hamilton in close analysis and comprehensive observation. His report on manufactures is a masterly demonstration of the fact for which I contend, although common sense acting upon obvious principles of labour, could readily arrive at the same conclusion, that mechanics, agriculture and manufactures, are the only sources of national wealth; for all the labour may be embraced within these three divisions. It is not necessary to quote from a treatise that has now become familiar to every reader, but it may not have been remarked by all, that this report contains not a solitary allusion to the merchant as a producer of industry; but on the contrary, the whole stress of his arguments bears upon the main principle, that labour is the sole cause of wealth.

I shall close this chapter by another apt quotation from Taylor.—“If equalizing and accumulating laws are the same in the principle, it is inconceivable how the same mind should be able to detest the one and approve the other. Integrity is compelled to reject both, and spurning at doctrines, calculated to excite the few to plunder the many, or the many to plunder the few, leaves every man under the strongest excitement to labour for his own and the national prosperity, from a conviction that the laws are a mantle of justice, and not an intricate net to fish for his earnings.”

Our policy is founded upon the idea, that it is both wise and just, to leave the distribution of property to industry and talents; that what they acquire is all their own, except what they owe to society; that they owe nothing to society except a contribution equivalent to the necessities of government; that they owe nothing to monopoly, or exclusive privilege, in any form; and that whether they are despoiled by the rage of a mob,

or the laws of a separate interest, the genuine sanction of private property is equally violated.”

It will have been observed throughout the foregoing reasoning, that I have drawn a palpable and wide distinction between *commerce*, the act and mode of foreign trade, and the *merchant* who acts as its agent. By commerce nations are enriched, and individuals raised from penury to opulence ; not by the *production* of wealth, but by its *acquisition*. This acquisition arises from enhancement of values, caused by difference of climate, soils, genius and novelty. In a country that produces sugar and rum, but no grain, flour will be scarce, and bear a higher price than where it abounds, and the same of sugar in the climate which is uncongenial to its growth. Hence the profits of commerce, which give such animation to the world, and inspire labour with fresh ardour in the production of superabundance.

CHAPTER VI.

The Wages of Labour.

IN all countries save this, the sons of labour have been the serfs of the land, the slaves of a master, or the inheritors of those brands of bondage, and badges of servility, which held them in a state very little superior to that of our southern negroes. The tenure of their existence was eternal toil; the recompense of their labour, a bare subsistence. The profit of their industry was the property of their master, their lord, their bishop, or their prince. Thus the wages of labour have almost universally been decided by power, instead of justice, and the smallest pittance compatible with life, has been allotted to the children of industry.

He who depends upon power will not fail to be visited with oppression; and the people of Europe, in common with ourselves, still feel the iron pressure of customs and laws, which had their origin in the arbitrary will of her barons. The practices of the powerful are hard to obliterate, and seldom relax; they become identified with the common law, they insinuate themselves into our constitutions, and descend to the latest posterity, like the curse of Cain, or the poison of consuming disease. The origin of the wages of labour came from masters, not less absolute than a South Carolina slave-holder; and not more disposed to allot to the labourer more *liberal wages*, than the lords of the

South now dole out in bread, water, and covering to their sable herds of brutalized humanity.

Beginning with Egypt, the labourers were slaves; it is the same with the *Turks*, it was the same with *Greece and Rome*. Then arose the feudal barons of Germany, of France, and of Britain, with their serfs, their clans, their retainers, varied epithets by which to designate *slaves*. And this pittance of ancient and feudal times to *slaves*, is now the principle of the wages of labour, under our equal rights and charters of liberty, towards the middle of the nineteenth century.

This stinted measure of the wages of labour, may justly be termed the EVIL PRINCIPLE of the present age. If we substitute CAPITAL, BANKS, AND MONOPOLY, for the Barons, Lords, and Bishops of the feudal times, we shall realize a juncture so precisely similar, as to carry out in full, an illustration of the abuses, under which the sons of labour now suffer depression and injustice.

What but a principle of slavery could have made it a felony, for a working man to demand the true and just wages of his labour? If mechanics combine to raise their wages, the laws punish them as conspirators against the good of society, and the dungeon awaits them as it does the robber. But the laws have made it a just and meritorious act, that *capitalists shall combine* to strip the man of labour of his earnings, and reduce him to a dry crust, and a gourd of water. Thus does power invert justice, and derange the order of nature.

He who sows shall reap—he who builds shall inhabit—he who produces shall possess! This is the dictate of nature, justice, reason, instinct, and common sense. But this instinct is crushed by the power of

capital and law. The wages allotted to females, and children, illustrate the hand of power, not of right, at the same time that they demonstrate the oppression of rapacity. Why should *minors* and *females* be stripped of the fruits of their labour? Simply because they are helpless, and because custom has immemorially classed them with slaves and serfants.

I am always disposed to give full credit to my opponents for good intentions, even where the nature of their errors is calculated to repel the least generous admissions on this score. But what is the comparative good or evil, to be induced by giving to labour a larger share of its wages, and reducing the immense profits from the great capitals of those, whose increase of wealth is not an increase of enjoyment to themselves, or of benefit to society: who, already pampered into disease, and surfeited with luxury, could beneficially suffer a reduction to those, who, pinched down within the narrowest limits of a bare subsistence, are doomed by these unjust "circumstances," never to reach that high destiny of man, which beholds him an intellectual, a conscious, a rational, and a contemplative being! And must wealth be still pampered, because it is capital? Must capital still be allowed to absorb 90 per cent. of the wages of labour, because the rich must be flattered, the idle conciliated, the great humoured and adulated, at the sacrifice of justice, science, liberty, good government and general happiness? And for what? Because the *laws* of despotic antiquity, adjust and regulate the wages of labour, instead of the injunction of reason and justice.

There is, there can be, but one rule for estimating the value of labour—on principles of equity—benevolence, and social harmony—that rule is, HUMAN HAP-

PINESS; general competence and as nearly as possible, an equality of the enjoyments of life. The end of labour being happiness,—it is self-evident, that happiness must regulate the *just* value of labour. If notwithstanding the industry of the working people, they still remain poor and wretched—whilst those for whom they toil are swollen with countless wealth; it demonstrates that the wages of labour are too small, and that capital has continued to absorb that portion of the wages of the son of industry, which of right belongs to him. This is the true mode of estimating the value of labour—that the industrious may enjoy comfort, competence, and happiness. True, this is not the *legal* mode, nor the rule of civil authority; but it is not, on that account, the less true, the less just, nor the less sacred. The faculties of man were bestowed to ensure his comfort; for that he labours—and that he would always accomplish, when industrious, but for the intervention of injustice—the power, fraud, and oppression of CAPITAL, in its various forms, and attitudes.

An idea has been entertained by some, that equality is the condition of man, as designed by nature—and that all have an equal right to the earth, the elements of life, and all the productions so bountifully scattered over its face. The fallacy of this assumption exposes itself—for all men have not equal faculties of mind, or of body; nor equal inclinations to apply them to use; some being indolent, some quick, some slow, some industrious. It is not the equality of faculties, but the *equality of rights*, for which we ought to contend. If I possess industry, or ingenuity, I have a right to their product, in defiance of *capital*, monopoly, or combination—labour constituting the sole right to property.

land, produce, and all sort of wealth. It is true, that capital is power, the symbol, or representative of labour accumulated—but this very accumulation stamps it with a coercive power fatal to general happiness; for it extorts its own terms, and unless resisted by the political combination of labour, it is arbitrary and omnipotent, partial, selfish, and exclusively accumulative, without regard to humanity, suffering, penury, wretchedness, and perpetual toil.

Labour in the form of capital is the MASTER—labour in the individual, is the SERVANT. We desire to divest the master of some of his power, in order to add to the comfort of the servant. It is a fallacy to imagine, that we are aiming to controvert the established legitimate doctrines of political economy: as it respects the principles of supply and demand and other contingencies that regulate the market, or subject labour and property to the vicissitudes of times, seasons and accidents. Our object reaches higher—is more rational—and more laudable. It strikes at a FUNDAMENTAL PRINCIPLE in the distribution of wealth—that LABOUR shall share, with CAPITAL, in the profits of trade, in a more equitable ratio. And as capital is vested in the FEW; and labour resides in the MANY—it only requires that the latter combine to bring government into their own hands, to secure all they desire. At first, the struggle will be great and arduous; but perseverance and concord, on *expansive grounds*, must finally lead to a signal triumph.

CHAPTER VII.

Of Currency.

CURRENCY is that symbol of industry, which circulates as a medium for the exchange of value for value.

The only true representative of labour is *gold and silver*; because they are least liable to *fluctuate in value*; are more standard, more precious, more useful, and more out of the influence and power of men, than any other substance. Even gold and silver, however, are not invariable standards, or measures of value; for as they abound more or less, a greater or a less quantity of them represent the same quantity of labour, or industry; for if gold and silver are plenty, labour becomes dear, and the *same* quantity of commodity, is purchased by a greater proportion of specie. This may be exemplified by the difference of prices thirty years ago, when we had less money, and a loaf of bread, or a barrel of flour, could be purchased for one half that we are now compelled to give, because our stock of labour having increased, we have more money than we then possessed; and by *money*, I mean gold and silver.

Bank bills are currency; but we must be careful not to confound them with *money*, according to common parlance; for money is what has a real and intrinsic value; but *paper* has none. The principal value of gold and silver is, besides their use in the arts and em-

bellishments of life, 1st, their rarity—2d, their indestructibility—3d, their being out of the power of man to produce them. If gold and silver could be manufactured as easily as paper, it would have no more value as a standard, or measure of value and industry; although they might possess as much as their utility in the arts invested them with; hence it is apparent, that the value or preciousness of gold and silver is chiefly owing to their rarity, indestructibility, and non-creatability by human means. Hence the folly of the pursuit of the philosopher's stone, once the darling object of the *chymist* and *alchymist*, which, the moment it was successful, would become of no value.

While the precious metals measure with accuracy, and represent with truth the stock of surplus labour and industry; bank bills *pretend* to represent *immediately, gold and silver*—and remotely, property, or commodities. But in this country, where it has been more prodigally manufactured than in any other part of the world; and more than reason, or justice, or self-interest can ever approve; this quality of representing the precious metals, is an *empty pretension*, not only void of fact, but transcending *possibility*; for our bank paper far *exceeds in amount* all the mass of specie in the known world! Yet this is the *chief currency* of the United States; which has superseded gold and silver as the *measure of value*, and the representative of labour. Capable of being expanded to any amount; depending on the rapacity of men for its creation; and manufactured daily in such immense quantities as suit the purposes of avarice, and gratify the passions of cupidity; it has become an *instrument of speculation*; instead of a measure, or representative of value. The value of bank notes, therefore, is entirely conventional,

and varies from day to day, according to the quantity put in circulation by the incorporations that manufacture them. It has been contended, that *bank bills*, if they do not represent money, are yet the symbols of property, or labour. This, though true in a *general* and abstract sense, yet is not true in fact—in an absolute sense; for the process of arriving at the labour represented by these pieces of paper, is too precarious, and attended with too much loss, to realize the *nominal value* expressed on the face of them. The *currency* of a country to be sound and wholesome, ought to be equivalent to the *precious metals*, or the metals themselves, and not the *suppositious* representatives of *property*; which property may diminish *one half* in the process of realization before the gold and silver are obtained for it. Thus, suppose a bank to stop payment; as was the case with the *Franklin bank*, of New York—with another in New Jersey—and with one in the interior of Pennsylvania—in fact they are becoming bankrupt every day!—the holders of their bills must wait one, two, or three years for their dividends, and when made, they never exceed fifty per cent. of the capital. So that we see the fact demonstrated before us, that bank bills do not even represent labour, or commodities; and very often, represent nothing but the mere monopoly of public credit. It must be obvious, that a paper currency of this kind is calculated to throw the measure of value into utter confusion; and subject property to the winds and waves of every shock, which its collision with the metals is sure to produce. The crisis of 1819 in our currency, exhibited the disastrous effects of paper credits, when in many instances estates that had cost \$40,000 were reduced in value to \$18,000; and hundreds of men of fortune who deemed themselves

exalted into opulence and luxury, beyond the power of chance, or the vicissitudes of human affairs to shake or impair, became suddenly reduced to poverty, or compelled a second time to begin at the task of labour. Such horrible conjunctures ought to be avoided by a sagacious and provident people, for they uprear the very foundations of the national wealth and prosperity; eat into private happiness, and corrode away the resources of the country, when thrown into the pressing emergencies, whether of war, or embarrassment in its fiscal concerns.

The first effect produced by *paper credits*, is a rise of prices; and this, by many, is mistaken for a symptom of prosperity and riches; and such a condition of prosperity it does in fact indicate, when the increase of money is owing to the *increase of industry*, instead of the augmentation of credits. A reference to our *bank reports* will show an average augmentation of paper over specie capital of 300 per cent.; say for every one hundred thousand dollars in metals, four hundred thousand dollars in paper are afloat. This artificial enhancement of capital is not, however, an increase of riches; for it gives us no *new stock* of possessions; it merely converts into *activity* the old stock of our industry; and we pass from one to another, in the shape of *bank notes*, our houses, lots, farms, and lands. All these being thrown into circulation, as to their value, the greater abundance of paper money causes a *depreciation in commodities*; and it requires *four times* as much of the *paper* to buy a house, &c. as it would if no paper existed, but *coin* only was the circulating medium: and this *increase of prices* leads to the delusion, that because you receive more money for your commodities, you are so much the richer; overlooking the

fact, that this *rise of prices* is general, and that whatever you purchase, you have to pay *four prices* for ; so that, in fact, you are no richer than if you received but *one fourth* of the amount in *coin*. In respect to a country, therefore, *within itself*, it is of no consequence, whether one thousand dollars *represent* a house, or whether four thousand is paid for it—unless it should happen, that this *paper credit system* should receive a *violent shock*, to which it is at all times extremely liable ; in that case, the sudden contraction of the *paper*, its diminution, and *abstraction* from circulation, cause a sudden *fall of prices*, so that the house that cost four thousand dollars will not produce or sell for more than two thousand,—which causes general ruin, consternation, dismay, and poverty. Suppose a man owns ten houses that cost him forty thousand dollars, when paper was abundant ; as soon as the contraction takes place, they produce him but twenty thousand dollars ; and if he has been so unfortunate as to have *mortgaged* the ten houses for twenty thousand dollars, he is left destitute and poor, without a *dime* to buy a loaf of bread ! This was the case in 1822–3. But these are the greatest evils of the *paper system* : where a *nominal* amount is obtained on bonds and mortgages—and where two thousand dollars must be paid, maugre the alteration in the value of money ; which thus causes two thousand to be worth as much as four thousand dollars were before the collision between *credit* and *capital* took place ; and which causes property to change hands by a mere *deception* of credit, without the intervention of *value received*. It may justly be thought strange, that men will subject themselves to the sudden loss of the product of a long life of industry, by giving countenance and support to this fictitious system of riches ;—and

which is quite sufficient to account for the sudden *rise* and *fall* of men of fortune in this country. Ten years, under the paper credit order of things, is a long term for merchants to remain solvent, and men of fortune to escape penury. The flood of paper *ebbs* periodically; and the immense amount of importations, over and above our exportations, accumulates our debt to foreign countries to an immense amount in ten years, or even five; and once every five or six years, we experience the *shock of specie* against *paper*. For foreign countries must be paid in *coin*; and foreign countries we must be indebted to, until we learn the practical wisdom of producing those fabrics which are essential to our comfort and independence.

In the *fall of prices* caused by the contraction of paper issues, the only persons who are not sufferers, but become gainers by the revolution, are the capitalists who have invested their fortunes in *bonds, and mortgages, and ground rents*. The great loss of property that would accrue to the mortgagers, and those who had taken lots to build on at high rents, has been adduced as an objection to correcting the *paper credit system*, by a circulating medium of a metallic character. The objection, however, is nugatory and insufficient; for the evils to property holders, who are under the liabilities of mortgages and ground rents, is much greater *under the paper system*, than it could possibly be, under the temporary ill effects of a mode that should promise to reform the currency; restrict the issues of paper within the limits of a metallic convertibility, and prevent the recurrence of that dreadful fluctuation of prices and values, which so vitally disturbs and unsettles the whole economy of the trading and manufacturing world. By any mode of improving the currency, that should

cause, in the course of its adoption, a collision between specie and paper, there would be experienced but *one shock*; and that over, another could not be apprehended; so that a *remedy* would be preferable to the present rotten system, that yearly threatens a return of the same shock, even on the supposition, that the remedy would produce an inconvenience, equal in extent and degree; which, under no circumstances, could it produce. But after all, what is the inconvenience, or damage, that a corrective of the excess of paper credits would lead to? Is it a *general* or merely a *partial* damage, that would not affect *society in general*, and only levy an inconsiderable loss upon a few heavy capitalists, who live on the interest of their mortgages and bonds, and grow rich by accumulating *compound interest*? Upon investigation, it will be ascertained to be the latter; a *very partial* disadvantage; for how small, in comparison with the great *mass of the industrious classes*, is that select few who hold mortgage bonds, or *lots on ground rent*? Should the *great interests*, then, of society, and the fountains of national wealth, be suffered to clog up, because a few proprietors of bonds and ground rents, would be subjected to the risk of a *possible depreciation of their capital*? It is only necessary to put the question, in order to settle the argument. An affirmative answer cannot be given!

But it does not necessarily follow, that these proprietors of *mortgage bonds and ground rents* would suffer any loss: it is a *possible contingency*, but not a certain disaster. It may be entirely averted, even as a possible contingency, by an expedient which was adopted, I am informed, immediately subsequent upon the depreciation of the continental money—that a *court of equity* shall adjust the *real value* of the nominal amount

of the *bond*, according to the current rate of money at the time being—and the difference between its value at the time of payment, and the delivery of the bond. By this method, all possible chances of detriment to any portion of the community will be avoided.

Currency is the *instrument of exchange*—the active representative of labour, or wealth;—and in this country we possess *two kinds*, paper and specie : bank bills, and gold and silver. As the nature of this subject does not appear to be very generally, or familiarly known, I shall at some length show my thoughts upon this topic ; for nothing can be more interesting to the public, than that which affects every man's business more or less ; which causes property to fluctuate in value ; prices to rise and fall ; and the profits of trade to vary with the scarcity or abundance of certain little pictures, denominated bank bills, ornamented with the head of *Washington* at one end, and that of *Franklin* at the other, without, however, attempting to typify the wisdom and patriotism of the one, or the economy and wit of the other.

The scarcity of specie being produced, as I before proved, by the enormous quantity of our *paper credits*, as the primary cause, and the wrong balance of trade, as the secondary one ; for the former in a great and essential manner begets the latter ; the public soon grow distrustful of the stability of those very riches, which they were themselves so eager to create. *Public credit* is established, or overturned, by public opinion. If the precious metals are observed to be scarce, the mere *preference*, in individual transactions, of selling for specie, instead of bank notes, gives a motion to the wheel of credit which every successive turn increases, till it whirls round with destructive velocity ; and like the

windlass, it only stops when it has run to the end of the chain—that is, till paper credits have lost all their value, and are universally refused in payment of commodities. Such was the dreadful shock experienced by the American people, with the *continental money*. The depreciation at first was scarcely observable; as soon as it was observed it spread like contagion, and the most opulent and virtuous men were suddenly reduced to all the pinching straits of unexpected poverty.

A mere preference of *specie*, is a *depreciation* of paper credits. A merchant will dispose of his goods, to be paid in hard money, at one half or one per cent. less, than for bank notes. This *depreciation* daily extends itself; for every one is eagerly striving to obtain specie—some for the purposes of trade, others to *hoard*—and the scarcity augments with the demand, till it ultimately disappears entirely from circulation.

In this case the scarcity of the precious metals, is not to be distinguished from the redundancy of paper, so far as it regards the *consequence*. There is, however, a real difference between the two exigencies. There may exist an *actual* scarcity of specie—when little is to be found hoarded, or secreted in the country. This produces the effect above described. There may exist a *comparative* scarcity only. Thus, there may be *ten millions* of the precious metals in the country, out of general circulation, and a redundancy of the paper credits amounting to one or two hundred millions may cause a depreciation in the latter, and give rise to a premium for the former. The *two causes*, operate conjointly to prostrate public credit at the present moment.

The vast addition recently made to our *banking capital*, now incommodes the community, but it is in a manner to which they will not be sensible, till it grows

to a more serious head. It requires five, and in some instances, ten times the sum *now*, to purchase an *acre of land*, or any other necessary commodity, that it did twenty, or even ten years ago. The reason is, that *money*, or the substitute for money without its intrinsic value, has augmented in a greater ratio, than the products of industry; by money, I mean *artificial capital*, *paper credits*, which do not represent the *precious metals*. If we were without paper credits, or banks, the products of industry would be precisely equal to the amount of our specie—supposing we owed no balance of trade to foreign countries; if we owed such a balance our specie would be *so much less*. In this case, our wealth is substantial, our capital real. The creation of a bank gives place to an *artificial currency*—for we have no example, where a *bank* represented the *precious metals*, to the full amount of its capital; and to be deluded by the idea of any such thing existing, is to suppose that profit is to be made by the mere operation of exchanging one equal value for another equal value. This is an erroneous impression, and deserves to be exploded. If its notes did represent gold or silver, we must suppose the bank to have always in its vaults, a quantity of specie equal to its capital, which is an absurdity, for in this case, the bank could make no adequate dividend, and get very little profit on its money. On the contrary, they would lose the greater part of the *interest*, as well as their labour. Now, whatever bonds and debts they may possess, they never can be identified with, or convertible into specie. Nor does the interests of trade require it; but the very reverse is the fact. If the bank did not give *capital* an *artificial extension**, it could be of no

*I am aware of the arguments which may be stated against this position that a bank increases an active capital of the country by

possible utility to trade. This requires no proof, for it is self-evident—you cannot increase 5000 dollars to more, by taking that amount from the pockets of 5000 men, and placing it under the direction of sixteen men! But if those sixteen men are authorized by government to issue their *paper*, and lend money to traders, it benefits both the lender and the merchant: the one makes six per cent. on his money, and the other sends a ship to China, and by making 20,000 dollars he makes the country so much richer, as well as himself. These sixteen men, however, must lend 10,000 dollars to make much by it. Suppose they lend but 5000, the interest is 300—they might as well lend the *specie*, as it regards the merchant, and better, as it regards themselves; for they would save their expenses. But the object of a bank is to circulate 10,000 or 50,000 instead of 5000 dollars.

It cannot be denied, that a bank augments the *active* capital, by keeping all the money of its customers lodged on deposit, in constant circulation; which, without a bank, would be useless, idle, and unproductive. But this is not a positive extension of real capital by artifi-

discounting on its *deposits*. But it must be remembered, that these deposits when discounted on, possess all the qualities of its own capital, that is when they are drawn out, the bank must pay them in its own notes, or in *specie*. Now, in either case, it renders it necessary that these *deposits* should be made in *specie*. But at the present day this is seldom or never the case. Therefore, this mode of reasoning cannot affect the question. Bank paper maintains its own credit, so long as a sufficient amount of *specie* remains in the country for all the current purposes of trade. Bank credits may in this case be issued to four times the amount of the bank's capital without injury, supposing no *redundancy* of such credits to exist previously. This *redundancy* however exists now, hence every bank should reduce its business to its capital or close its business. Nothing short of this can correct the evil.

cial means. It only keeps the real capital in *activity* : it adds nothing to it ;—this can only be done by paper credits, which do not represent *specie*.

On the first consideration, it would appear impossible to create a bank, unless all the capital was composed of the *precious metals*, supposing no aid from the public debt to be afforded ; but it is very practicable, and has ever been practical by the makers of banks—it would not prove otherwise than *beneficial* to a country *before destitute of such institutions*, to create a bank, *ten per cent.* only of whose capital should consist of *specie*, merely for the common purposes of *exchange*. The remainder of the capital to be paid in notes at sixty or ninety days ; which notes when due to be renewed by discounts. This may seem a visionary scheme ; but alter the 10 per cent. to 15 per cent. of *specie*, and you have the identical plan on which the *state banks* were incorporated. It was not required, that money should be paid for the second instalment in those banks, they only required your note, with a pledge of the stock, and the business was finally settled. The only difference is, that some part of the stock was paid in promissory notes.

Now, on the supposition, that no other bank existed in the country, that of the *United States* would not prove a public benefit. In the actual situation in which the country now stands, groaning under the weight of millions of *paper credits*, it is a public benefit which stimulates to industry and trade.

If banks are such monstrous evils, why are they permitted to be daily extended through all sections of the country ? The answer to this question, is to be found in the *deceitfulness* of their effects. One cause that may be assigned, is the *fallacious appearances* of wealth that

always attend them. The farmer receives a greater nominal sum for his products in common with the labourer, the mechanic, the manufacturer, and the merchant; and they all obtain a readier sale for their commodities: this flushness of money flatters them into an opinion of growing riches—they never consider, that the *prices of all articles* are *augmented* in the same proportion, by the same abundance of artificial money; they consequently *spend as much more* as they *gain*, in all articles of home manufacture. Thus far there is no apparent *loss*; but extend the enquiry further—when we purchase *foreign commodities*, do we *gain* or *lose* by this excess of money, and increase of price? I think it is evident that we must *lose* by the operation. *How* this is effected I shall take another occasion to explain.

Another and a powerful motive, that impels people to uphold this ruinous system of credit, is the gain to be derived from *speculating* in bank stock. This source of profit is open to all the monied community, as well as to desperate and unprincipled adventurers; thus brokers, shavers, stockholders, merchants, and *gentlemen* combine to multiply, and increase the sum of paper credits; while they cajole the weak, allure the avaricious, impose on the credulous, and entice the timid, to enter into a destructive speculation in the stock, which is only kept from sinking to its intrinsic value, by means of the most false devices, and disreputable arts.

CHAPTER VIII.

Of Mixed Currency.

A SIMPLE, pure, and sound currency exists in few countries of the modern commercial world:—But among the ancients, it was so peculiar, that it may be doubted, if they had any idea whatever of paper credits, or even public debts. Gold and silver were the only medium of exchange known to the nations of antiquity, who provided for the exigencies of war, not by borrowing, and pledging the labour of unborn generations for the debt; but by accumulating a treasure during times of peace, when prosperity was at its flood, and the ease of the country enabled it to hoard without resorting to oppression.

An age of commerce and credit, however, is fruitful in begetting schemes of wealth and stratagems of profit. The institution of banks, or credits of paper, was calculated with certainty to drive away the natural and real currency of countries—gold and silver. As in physics two different substances cannot possibly occupy the same space at the same time; so it is equally impossible for two different species of currency to operate as a circulating medium at the same time. If bank bills, or treasury notes, or stock certificates, perform the action of money, gold and silver will not, and cannot perform it. At the very moment that banks start paper credits, gold and silver will be hoarded. The issue of bank bills is predicated—a priori, on this fact.

The banks gather all the gold and silver they can, at first—lock it up in their vaults, and then send forth their paper as a substitute. The consequence is natural and unavoidable—the currency is composed entirely of paper, for all the operations of trade, and commerce, and the metals only circulate in the form of *change*, or fractions of a dollar.

To talk, therefore, of a mixed currency, is to talk of a fiction. It cannot exist in fact. A man may accumulate the silver fractions of a dollar, until they amount to thousands, but they will never constitute currency. The first person to whom he pays them, will deposite, or hoard them in like manner. Not so; however, if there existed no bank bills: in that case, silver and gold being the natural currency, would be preferred—besides, that they would be indispensable.

The theory of a *mixed currency*, has been invented by the stipendiaries of banks, in order to reconcile the *producers of labour* to the frauds and taxes imposed upon them by paper money, and banking corporations. It has been defended by saying, that specie being the *foundation* of a paper currency, renders the latter as sound, as if it was composed of specie altogether; a sophism so palpably absurd, as to surprise us at its announcement. For how can that be a foundation, which entirely disappears? How can paper be sustained by specie, when the amount of the latter can never be made to cover the former? How can *one* be equivalent to 100? How can two different substances occupy the same space at the same time, as I before observed?

The sophism here put forth of a mixed currency is founded on an erroneous idea of the virtue of paper, being dependent on its capacity, or power to command

spécie, upon any emergency. This capacity, or power, is wholly problematical; it may, or it may not exist, but it has not, and never can have a certain existence; and this feature of currency never has, and never can be reduced to scientific precision, so as to admit of logical argument.

The great vice, and to the stock interest, the great virtue of paper, is its *elasticity*, its susceptibility of expansion, its power to absorb all the labour of the people, and to return it to them in such portions and dribbles, as their *mercy* may prompt, or their interest suggest. Gold and silver are not pliable metals in this sense. They have no power of passing for more than they are; they cannot be augmented to the maximum of numbers, or as suddenly reduced to 0! This is the peculiar property of *paper credit*. How then, can they ever mix? How can they amalgamate? How can they ever keep pace, or preserve at the same time a reciprocal circulation? With as much reason might a lunatic advance the idea, that a mountain of rock would float on the waves of the Atlantic ocean!

The too prevalent ignorance on the science of currency, has tempted empirics, and pseudo-economists of all grades, to misrepresent, and falsify its character to a credulous people, to dupe whom was so amply to profit themselves. In this manner, the *most celebrated* financiers have attempted to persuade the community, that currency is wealth, because bank bills are predicated on the existence of gold and silver. Gross as this paradox is, it no doubt has its believers; for what is too monstrous for ignorance to swallow, or credulity to assent to? A public that would believe in a *mixed currency* would believe any thing.

Bankers and financiers have endeavoured to mystify

the plain relations of debtor and creditor, into a profound science, impenetrable to uninitiated minds; as if the business of bankers and financiers was any thing but the plain relations of debtor and creditor! True, they are so extensively licensed to operate at their discretion upon the labour and property of others, that we may well mitigate surprise at their presumption, and restrain resentment for their duplicity and fraud! Where the power of the debtor is unlimited, he may well put on an air of mystery, to disguise a part of his injustice, as the priests who officiated at the ancient oracles, were always invisible, lest the sight of their humanity should discredit their divine presumption.

Every bank, by the issue of every bill, *contracts a debt to the producer of labour*. How such a debt can be designated as wealth, could only be shown by a superannuated statesman, in the babbling incoherencies of senility, on the credit of a prescriptive reputation, never tested by intellectual achievements, or confirmed by displays of substantial science.

Bank bills being fabricated by men, may be increased to any amount, so that prices may fall one half in a month! Gold and silver are a physical measure of property, which man cannot create, or produce, and is therefore, invariable. To issue gold and silver is not to contract a debt, but to pay away that which represents property. It is utterly impossible, therefore, that a paper currency could ever be benefitted by the precious metals; so far as to form what has been termed a *mixed currency*.

A paper currency would be less pernicious, if the precious metals were wholly removed; because, in that case they would experience less fluctuation. The constant collision between paper and the metals, is the

cause why the former suffers such ruinous variation, depreciation, and contraction. Any currency that is simple and uniform, would be preferable to all these attempts at a mixed and compound circulation, which cannot be realized, and that only ends in producing more antagonist consequences, than they were devised to cure. Knowing from experience, that there exists an invincible principle of enmity between *credits* and *money*, that one will always clash with the other, and that harmony never can exist between them—they being the *real debtor and creditor*—how futile to persist in urging the absurd theory of a *mixed currency*, between substances, endowed with inherent properties of repulsion, and which never can unite into one.

Paper then, being utterly worthless in itself, as a measure of property; (for how can that be a measure which is perpetually shrinking up, and swelling out again?) it becomes a question for society, whether they will consent to endure its evils for the sake of its partial benefits, if any benefits there be; a question to decide which I must refer the reader to other chapters of this treatise.

CHAPTER IX.

Of the Precious Metals—Coin—Gold and Silver Bullion.

THESE may be termed the instruments, or tools, with which labour and commerce effect their exchange of commodities. They constitute the only *real* and *bona fide* currency; because they possess the quality, more than any thing else, of a standard, as well as a measure of value: not being liable to depreciation, destruction, or loss; not to be produced by manufacture, nor susceptible of sudden increase, or augmentation.

Like all the metals in their crude state of *raw material*, gold and silver exist independent of human labour. It is only when they take the form of *coin*, or *manufacture*, that their value is increased by industry. But they are distinguished from all other metals by this property—that their preciousness and value, does not depend, like iron, lead, &c. upon their application to useful purposes by human labour. Gold cannot be wrought into any shape of great utility, like iron; yet it is the most valuable of all the metals—from *intrinsic* qualities, among which are durability, beauty, &c.

“Gold and silver,” says a popular, but deluded writer of the Adam Smith school, “are commodities produced by *human labour*.” The strangeness of this paradox is nothing in comparison with the violence with which it shocks all our perceptions and experience. According to this doctrine, if a *North Carolina* planter discovers a lump of gold on his estate, it is *produced by human*

labour! If a mine of South America is worked by slaves, do they produce the gold and silver? If the writer meant that *labour* is necessary to discover gold and silver, he is in error; for much of it is attained without labour, and where labour is required, it does not *produce* the gold and silver—which are among the primitive sources of wealth—the *natural elements* of riches. If he meant, as his expression implies, that *labour* will *always produce* the metals gold and silver, the assertion is as self-evidently contrary to reason, as it is to fact. The production of any substance, by means of human labour, is always expressed in contradistinction to those which are produced by *nature*: thus gold and silver are produced by nature; but *coin* or *money* is produced by human labour. If toil could beget gold and silver, their utility and value would soon be destroyed by their abundance, and like bank credits, they would possess little or no intrinsic value.

“Between the two, (continues the same writer,) there is no proportionate value fixed by nature, any more than there is between lead and iron.” A second fallacy equal to the first, here excites our surprise. Nature has happily proportioned the value of every thing; but that of metals in a most especial manner, and those of the *precious metals* in a manner not to be overlooked. The properties of gold are, in every respect, superior to those of silver, and at the same time its quantity is infinitely inferior. This proportionate value is easily ascertained with exactness by experience and observation; it may have varied in the time of the Greeks, from the age of Solon to the invasion of the Persians, and in the time of the Romans, from the era of L. Junius Brutus, to that of Vespasian; and in the time of Alfred it was no less different from what it was in the reign of

George IV.; but the proportion will at all times exist—has existed at all times, and is inherent in nature, owing to quantity and quality, not according to human labour, but according to the eternal laws of *physics*.

There is no analogy between other metals, and *gold and silver*, in reference to currency or even their utility.

“*The erroneous notions*,” says the same writer, “*of unfavourable exchange, unfavourable balance of trade, draining of specie from the country, and other such mistaken views*, which have led men in power to endeavour to correct these *supposed evils* by restrictions upon commerce.”

According to this writer, when *all the specie of a country* leaves it, it is “*a supposed evil!*” When exchange on Europe continues for six or ten years in succession, at ten or twelve per cent. *premium*, it is a *favourable* symptom and a “*supposed evil!*”—When we export ten millions, and *import* fifty millions, it is a *favourable balance* of trade, and a *supposed evil!* Let us examine a little into these whimsical paradoxes.

The school of philosophers to which this writer belongs, takes it for granted, that the *ten millions* we export nets us a profit of *forty millions*; and that the *fifty millions* we import, is a gain of *forty millions* to the country! Could any thing be more absurd? And this idea is entertained, with the fact staring them in the face, that our exportations do not net a gain of *five per cent.* in foreign countries! Even supposing our profit to be 100 per cent. on our exportations, still thirty millions of *specie* must be drained from the country to pay for our importations; and this the writer declares to be a *favourable balance* of trade, and “*a supposed evil!!!*”

“Unfavourable exchange,” too, with these philosophers of the Adam Smith school, is a “supposed evil.” What is its operation?—I want to invest 20,000*l.* in English goods at London. Bills are at ten per cent. premium; which on that sum is 2000*l.* or 9000 dollars TAX upon that amount of commerce! Is it a fallacy, to pay 2000*l.* more than I receive value for? But this is the most favourable aspect of the operation; for this difference of exchange proves our trade to Europe, to be in a languishing state; and that we receive from her much more than we supply. It proves that we have consumed a greater amount of *European industry*, than we have the means of paying for in our own industry, which compels us to send the money. Thus an *unfavourable exchange* is the very reverse of a *supposed evil*.

Nothing is more important to a country, after its relations of labour have become permanently established, than a proper regulation of its metallic currency, so as to preserve it *uniform, invariable, and free from all fluctuation*: for it is these properties that give it value in relation to industry. With this view, all measures ought to be avoided which will drain the country of the metals, either gold or silver; not because money is of consequence to the prosperity of a country; but because its disappearance shows that our industry, which it represents, is passing away from us too rapidly, like the fortunes of a prodigal, into the hands of *more industrious* people: for industry is the talisman which charms the precious metals to any given point; and when they leave us, we ought to be admonished of approaching poverty and want.

The relative proportions of gold and silver are of no possible importance to any country, so that their proportions be preserved with as little fluctuation as pos-

sible; nor is the number of ounces of pure silver that are made equivalent to one ounce of pure gold, of any consideration in the argument; for the increase of the one, or the other, or their diminution, will of course destroy their proportion. Where both, however, form the currency of a country, some proportion between them must be established by law; and that of the Act of Congress of 1791, was at that day the *correct* proportion; for gold continued to constitute a part of our currency up to the time of the War. It is an important subject of investigation; to endeavour to ascertain the *cause* of its disappearance as an *instrument of exchange*, to become one of the subjects of commerce, always condemned to monopoly and exportation.

From 1791 up to the declaration of war, our exports exceeded our imports by an immense amount. The carrying trade for Europe alone, placed at our disposal in that portion of the world, a mass of wealth, that no amount of our imports could bring home. Exchange on Europe was then as much below par, as it has been since above it. Hence, there existed no motive, or cause, to remit *gold*; but, on the contrary, such remittance would have produced a loss of ten or twelve per cent. Why gold, therefore, formed a part of our currency at that epoch, is sufficiently apparent: *the balance of trade was in our favour*, and our metallic currency remained in repose at home. We say the *balance of trade* was not against us; and however *old fashioned* the assertion may appear to new fangled theorists, we beg permission to say a word or two in its favour; notwithstanding the *new lights* of political economy pretend to say that there is a fallacy in the position, and the more the balance of trade is against us, the better for the country. But we maintain that

the *new lights* are the heretics, and our creed is *orthodoxy*. And thus we establish our doctrine:—Suppose we import annually 20,000,000 *foreign* fabrics, and export 10,000,000; how are we to *pay* for the *overplus ten millions imported*? We cannot draw bills, unless we remit stocks or SPECIE to Europe to meet those bills. Of stocks, we can send but a small amount, say *two millions!* How must we pay the *balance*? In the only mode that can be resorted to between nations; we must remit the SPECIE! So that whenever the balance of trade is against this country, our precious metals *flow out*. Hence the policy of *diminishing* our IMPORTS of *foreign goods*, at a time when we find it impossible to increase the sum of our exports to an equality with that of our imports; hence, too, the sound policy and wisdom of our *Tariff Laws*, which go to promote the growth of *American Manufactures*, or home labour, in preference to foreign labour, and consequently to diminish the amount of our importations.

Gold being more portable, and less liable to fluctuation in price, always leaves the country first when the balance of trade is against it:—but in the case of our *American eagles and half eagles*, there existed an additional impulse to expatriation in the superior *purity* of our gold coin, so that in the same number of ounces, a *greater* quantity of *pure gold*, was contained. This is a radical defect in the gold coinage of the United States, which calls for *congressional interference, and the remedy of law.** Still, if corrected, it would not be adequate to restrain the exportation of gold, for all GOLD has now become a *subject of commerce*, instead of an instrument of exchange, partly owing to the great

* An act has since been passed to this effect.

trade in jewelry and partly to the substitution of *paper credits*, to answer all the purposes of gold. To keep a *golden currency* within the United States, two great causes must *co-operate* :—1st, A balance of trade in our favour, by the extension of domestic manufactures, and 2d, A diminution of our *paper currency* within the sound limits of a specie responsibility. It will appear obvious after a little examination, that neither of these causes separately could produce the desired effect of restoring a gold currency; for, even if there existed no balance of trade to be paid in specie, the redundancy of a paper circulation would necessarily *operate to make* gold a subject of trade by the creation of an over abundance of money :* for as the increase of paper money tends to enhance prices beyond what they would be, if gold only circulated, the paper suffers a *depreciation* of value, which naturally causes gold to be sought after, and hoarded. Nor could the second cause, unassisted by the first, produce the effect; for the *balance of trade* must be paid in gold and silver, and gold will at all times receive the preference, for the reasons already stated. A combination of the two causes can be produced by the power of government and the patriotism of the community; but this event, at present does not appear likely to occur, at least not very soon.

It is not, however, of so much importance that we should restore a gold currency, as that we should direct all our energies to preserve a *silver one*; whose

* What pity, observes the sagacious and logical David Hume, Lycurgus did not think of paper credits, when he wanted to banish gold and silver from Sparta! It would have served his purpose better than the lumps of iron he made use of as money; and would also have prevented more effectually all commerce with strangers, as being of so much less real and intrinsic value.

abstraction from circulation seems to be gradually following our gold coin, and daily threatens to leave us without the conveniences of a *small silver currency*, throughout the union. In some states, indeed, there appears no danger of such a catastrophe, but far different is the metallic condition of the republic.

It is, however, greatly in the power of government to aid us in arresting this rapid exportation of silver, by an act of Congress, which shall comprise the following clauses.

1. All SILVER bullion, bars, or coin, upon its arrival from foreign ports, (not of the United States,) to be deposited in the *Mint of the United States*, or the branch banks, or custom houses, (at other ports) to be coined into quarters, tenths and twentieths of a dollar, at the expense of the United States.

2. Immediately upon such deposit, the United States to *advance* the price of the said specie, or bullion, to the importer, or proprietor, by drafts on the treasury or United States Bank.

3. All bullion, or specie, secretly introduced, or not included in the *manifest*, of the cargoes, to be forfeited to the United States.

4. The same law to extend to GOLD BULLION and coin, to be coined into two, three, four and five dollar pieces of the United States.

The advantages of this law would be as follows : viz.—

1. It would prevent the MONOPOLY and TRADE in BULLION and FOREIGN COINS ; which now never enter into circulation, from the rapacity of brokers and others.

2. It would diminish the motives to their exportation, by reducing their value in foreign countries :

small coin always being liable to a greater loss, and always selling as *bullion*, which is invariably *cheaper* than coin.

3. It would operate as a check to the over issues of bank credits, by putting the great mass of the specie of the country into *circulation, through the expenditures of government*; so that the only means by which banks could obtain it, would be by *confining their issues*, and abstracting a portion of their paper from circulation.

Experience sanctions this plan. When the India trade was a mania, and it continued a mania until it broke down all concerned in it—the expedient of *coining half dollars*, saved the country from a total drain of its specie. Before that crisis, the peril of being left without a single dime, was great—since then, the *exportation of the half-dollar to Europe*, has commenced and progressed to a ruinous extent! The same remedy, a reduction of the denomination, is suggested by experience as the most efficient.

It will be perceived, that in these positions, we differ radically from the disciples of a popular writer, in all his *new light* principles. We belong to the *old school* of political economists: he belongs to the *new*; and on him the *onus* is imposed of showing us to be wrong.

After all, however, he will perhaps agree with us in this, that a nation never need concern itself about its specie, gold or silver, that is only careful to preserve a PREPONDERANCE OF INDUSTRY over other countries; for it is very hard, if not impossible, to prevent gold and silver from finding their level—which is industry and labour. Specie follows the footsteps of *industry* as its shadow, and THAT COUNTRY NEVER WILL

BE WANTING IN GOLD OR SILVER, that is superior to its neighbour in skill, application, and labour—but until our manufactures get a foothold, and take root, we ought to be frugal in our expenditures, and politic in our laws.

Gold and silver bullion are articles of trade, as well as measures of value, but the first quality has caused them to be confounded by some writers, with mere commodities. But this is an error—gold and silver bullion, can never be ranked in the same class with merchandise, no more than the coin into which they are transmuted. A bar of silver, or gold, may be made a measure of value, as well as a guinea, an eagle, a doubloon, or any other coin; but it never can be reduced into the mere object of labour, to which their preciousness bears no proportion. These are the only metals which serve as the true measure of property, in its present immense accumulation: this is their chief value, after their faculty of commanding industry, and commodities, of which they are the representatives.

CHAPTER X.

The Standard of Value.

MUCH controversy has been thrown away upon the question, of the possible existence, of a *perfect* standard of value. This discussion is more curious than useful, for discussion cannot create such a standard, if it exists not, and labour and commerce will never pause in their career, to learn the decision of the argument.

It is sufficient for all the purposes of industry and trade, that there exist *standard values*, under the form of a silver dollar, a golden eagle, or any other denomination of coin, not liable to depreciation and loss. A better, or more perfect standard of value, cannot be desired.

PRICES have no connection with the standard of value; for prices depend on the circumstances of supply and demand, quality, quantity, &c. and the greater or less abundance of money that is floating in circulation; but the standard of value resides in the *unalterable preciousness of the gold and the silver*. Some have thought *diamonds* the best standard—but have not supported their opinion by conclusive reasoning.

In the simple ages of barter and trade, by exchanging *kind for kind*, a bushel of wheat for a yard of cloth, for example, the standard of value was of little consequence, and therefore disregarded; the operations of trade being so very limited and circumscribed, that the variation of quantities was made to answer every purpose. But for extended operations, a standard of value is indispensable, and has never been known to be wanting since the first era of commerce and civilization.

The great difference between the precious metals and paper currency will be perceived in this, that whilst bank bills can never become a standard of value, they may be often made use of as a *measure of value*: but as a standard they are utterly worthless; being constantly liable to depreciation, expansion, contraction, and every mode of incertitude and fluctuation.

The standard of value in France and England is gold only: silver being deemed too variable and uncertain. Of course, the *legal tender* in those countries is gold; which also constitutes their measure of value. A pound of gold is unalterable—whether augmented into thousands, or reduced to fractions of the lowest denomination. Hence the *standard of value*.

But can this standard exist in a country where paper credits are hourly confounded with gold and silver; and whose government through a committee in both branches of congress, express a preference for bank bills over specie, as a standard of value? The thing is impossible. Where paper, or an elastic cord, is substituted for the standard of value, there can exist no standard. Laws which disturb and trifle with property in this manner, are worse than fraud, force or despotism; for they plunder under the cloak of justice; and distribute labour on the sheer and naked principle of aristocracy and power; and as effectually place industry at the mercy of caprice, rapacity, and avarice, as if the producers were the mere *villains* of the feudal barons of old.

A standard of value, however, does exist, and can be applied to the distribution of property; but it does not exist, and is not applied, under the paper credit system of this country. Hence our poverty on the one hand, and riches on the other—hence *pauperism, wretchedness and want*.

CHAPTER XI.

Of Interest—Rents.

INTEREST is the price paid by a borrower for the use of a stated loan of LABOUR, on money belonging to another. Thus interest is a proportional amount of labour paid for the use of the labour of another.

This per centage varies in different countries, and under different circumstances. In England interest is from three to five per cent; in Denmark four per cent; in Spain still lower; in France five; in Rome, at the time of Trajan, it was six, but afterwards fell to four. In this state, our *legal* interest is six, but money can be had for five to four; and sometimes rises from eight to twelve. The causes that regulate interest, and the principles that ought in justice to measure and control it, are important, as well as interesting considerations.

Too little attention has been bestowed upon the power of the capitalist over the borrower, in this question; which seldom permits him to respect justice, or to practise moderation. We shall here discuss that neglected feature of the subject, and endeavour to ascertain on what principle interest ought in justice to be regulated.

The following points are of importance in producing this effect:

- 1st. The surplus amount of capital seeking to obtain interest.
- 2d. The greater or less number of the capitalists, who desire to lend.
- 3d. The demand for borrowing.

4th. The profits of trade, agriculture, and manufactures.

1st. If the surplus amount of capital, or labour, be small—as in most new countries, and even some old ones—it is self-evident that *interest* will be high; for such countries are poor, and there will be borrowers in proportion to poverty; whilst the lenders will be few, and of small resources. A high interest is, therefore, proof demonstrative, that such a country is not affluent.

2d. If the number of capitalists who desire to lend be great, competition will ensue, and interest must suffer a reduction—unless,

3d. The demand for borrowing counteracts this competition, by its excess over the ability to lend. This demand is regulated by,

4th. The profits of trade; if they are high, interest will also be high: for the amount paid for the use of capital will always be in proportion to the advantages derived from the investment.

An industrious people make a prosperous country. As the superabundant stock of industry passes a certain medium, and riches commence, interest falls. In all countries advancing to wealth, or satiated with money, interest is low, or at the minimum. When we borrow, we abstract a given amount of labour from another to our own use—the more labour, therefore, the more there is to lend, and the less the interest.

In vain do the laws attempt to limit interest, which ebbs and flows with the state of trade, and a thousand circumstances not to be defined: It will always sink below, or rise above the limit. As the interest for the time being, is the interest of equity, it ought to be that of law.

As it is the labour that is borrowed, although repre-

scattered by so many yellow and white pieces of coin, so the owner has a right to obtain for his labour the *highest price*. If capital is not too much locked up in monopolies, its competition will prevent extortion; and when it will not, it is for the laws to define and punish it.

But capital naturally clothed with power, no sooner feels its own strength, than it seeks to increase it under the form of *monopoly*; which invests it with the privilege of extortion, under the impunity of a charter, which incorporates capital under the denomination of a bank.

All INTEREST is paid by those who labour to those who are *idle*!—Superabundant industry never could accumulate, without receiving the action of labour. Therefore it is, that interest depends on the mass of industry, and the activity of trade and commerce.

The principle, therefore, that ought to be allowed to determine and regulate interest, is the same that ought to be granted to determine and regulate the wages of labour, INDUSTRY, and the course of trade and commerce. Unshackled by law, and freed from the impetus of charters and monopolies, interest would become equitably established by competition alone:—For the CAPITALIST being *idle*, and dependent for the means of subsistence and luxury on the labour of the borrower, would soon come to lend his money on just and reasonable terms. The working man can require nothing more than *equal ground* to stand on; and nothing more is necessary, in order to endow him with competence as the reward of industry; and remove those blights on his labour and happiness, which are generated by law, charters, and monopoly. Capital without labour, is of no possible value—it is as if it had not existence. Deriving, therefore, all its value, all its pro-

ductive faculty, from labour, the latter is justly entitled to the greatest benefit. But what ought to be the particular rate of interest, must depend upon other circumstances—such as whether industry be abundant or scarce, or the country be opulent or poor, or trade, and commerce, and manufactures, flourishing or depressed. Where there exists a great accumulation of capital, interest will be low; the greater the stock of industry, the greater the capital, and the lower the interest.

Where the profits of trade are small, interest should be proportionably low. If six per cent. was an equitable rate of interest in 1816—it ought now be reduced to three; for our wealth has doubled, and the profits of trade and commerce have diminished one half at least, since that period.

The same principle will regulate rent; the true value of land and the proportion of crops due to the producer. If produce is low and interest low, the rent ought also to be in proportion. This is generally the case, in proportion to the scale or rate of the wages of labour now established; but this scale of the wages of labour is too low: elevate that, and the wrongs and oppressions of the industrious classes will cease. Rent rests precisely on the same principle as interest for capital borrowed—with this adventitious difference, of locality, position, and favourable proximity to trade. It is the hire paid for the loan of capital, in the form of *land*, houses, stores, and ships. What ought to constitute the equitable rent of land and farms, presents a question involving the principle of the distribution of labour. Capital will always extort a rent commensurate to the rate of *interest*; but far above what justice would allot, in relation to the comfort and happiness of the pro-

dacer. If industry were adopted as the rule for the distribution of wealth, rent would be proportioned to the comfort of the labourer, as well as the pleasure of the capitalist. Under the present system, it is of course graduated on the rule of avarice and luxury, to the proprietor, and of stint, discomfort, and sometimes of starvation, to the operative, or labourer.

A knowledge of the *necessity* under which the poorer people lay for habitation, has given to capital a most oppressive monopoly and extortion as to rents, so that lands, houses, &c. generally yield double the current interest of money; and sometimes not a moiety of it. Yet it has never been thought eligible to regulate rents; by law, like interest, lest the want of competition should deprive man of habitation. Both resting on the same principle of capital loaned to use, interest, like rents, should be left to regulate itself.

CHAPTER XII.

Of Usury and Extortion.

THIS is a branch of the same subject—INTEREST; but merits to be considered separately.

Usury and extortion are both different degrees of ILLEGAL INTEREST. They are the children of monopoly and law; and carry in their train pauperism, ebriety, want, wretchedness, and suicide.

If law had never interfered with labour, or fortified capital by charters and privileges, usury and extortion, with their concomitants and consequences, would be unknown to this prosperous country. The moment that the monopoly of capital draws a circle of *credit*, and avarice, a circle of aristocracy, by the institution of banks, usury and extortion are begotten. Here capital becomes a legal tyrant, and a moral oppressor. Those who cannot comply with its forms, or conciliate its favour, must submit to the antagonist principle of usury and extortion. The system of bank credits is a charmed circle: and to multiply them, only multiplies the favour, the exclusion, the affluence, and the beggary. Repeal the laws that generate it, and usury, the child of the laws, will perish. Who ever attempted even in thought to regulate the prices of commodities, and make the excess of the legal limit extortion?—And yet this would not be more absurd and unjust, than laws regulating the value of labour, when put out on loan, instead of being sold.

Credit ought to be, as it is, the offspring of industry,

a real and natural quality—not the offspring of law, which makes it an artificial one: and by which idleness and impudence may make poverty pass for wealth. It is thus that the system of bank credits proves a licence for the knave, and a tax, as well as a torture, to extract the gains of the honest hand of labour. Abolish at this time, our public monopolies of capital; and interest will sink to THREE PER CENT. Usury will be unknown, and extortion will never be heard, except when the demand for interest rises to six per cent.

Laws have in vain attempted to restrain usury and prevent extortion. The invention of *brokers* has effectually served to screen the delinquent, and bid defiance to justice; the law being a compound of words, instead of a creature of principles.

Extortion is discriminated from usury, by its being a price or premium for imaginary chance of loss, instead of an interest for the use of money. It embraces all the calculations of non-payment, personal discredit, temper of the debtor, habits of punctuality, or procrastination, his wants, his necessities, all which being in the imagination of the lender, become extortion.

As usury is seldom, or never resorted to by those who have credit, the extortion as it becomes greater, also becomes more cruel; and demands the intercession of the laws. This class of usurers too, being composed of the most vile and reckless of the felonious part of society, and having no feeling, or principle to restrain them from the most savage excesses of oppression, ought to be kept within limits by rigid enactments; disregarding as they do the opinion of the world, the terrors of future punishment, and the obligation of the most sacred oaths. The robber on the highway is *outlawed*, but there is no outlaw so bold and reckless in depredation, as the usurer.

CHAPTER XIII.

Of Pauperism.

PAUPERISM is another of the concomitants of the age of capital, extortion, and usury; and the most prominent and pernicious consequence of the distribution of property by law instead of industry.

Inequality of fortune is natural to society, because talent, as well as physical power, is unequally distributed to mankind. But this inequality does not imply pauperism, nor does this diversity of faculties necessarily lead to it. The whole order of nature, the economy of the world, physical as well as moral, and the beneficence of Providence, all proclaim that pauperism is the child of luxury, monopoly, and avarice. The superabundant fruits of the earth, the o'erteeming womb of nature in her spontaneous productions, the superfluity of labour, from the hand of industry, the immense mountains of wealth, accumulated by avaricious extortion, and legal fraud, the satiety of luxury, palled into disease by surfeited appetite, idleness pampered into the tomb by voluptuous enjoyment, one man in the possession of millions, and thousands rioting in overabundance, clearly demonstrate that the perversions and vices of man, and not the order of nature, have generated the excrescence of pauperism, upon the face of society.

It is a first principle, that no man can become rich, without making another one poor, and that all accumulation of great fortunes, necessarily begets pauper-

ism. The cause of this is apparent. It is not in the power of man, to produce a sum of labour so immense, as to make every one rich ; but it is in his power, and he does produce enough to make all comfortable, and happy. If some, therefore, acquire immense portions from this mass of labour, it must leave others without any. A truth so simple requires no demonstration.

Wealth, seated in the midst of her golden paradise, often deutes her attendant, pseudo-benevolence, to go among the wretched, who are famishing for want, and exhort them to economy and temperance ; or, alarmed by their cries of anguish, and maledictions of suffering, she gathers the poor into an alms-house, and eases her philanthropy, by feeding them on offals, and giving their dead bodies to the dissecting room, to defray a portion of the expense.

The most pernicious character in society, is the avaticious miser—the most despicable, the miserly beggar. They are the moral extremes that meet on the verge of misery, worthlessness, and non-production. The prodigal merely wants sense, for he injures none but himself, and may produce as well as spend ; but the accumulator is a tyrant, whose every step inflicts anguish, crushes the heart, or slays his victim.

Economy is a private virtue, but almost a public negative, in relation to national wealth ; except in the unproductive consumption of luxuries. By economy, a man may grow rich, or acquire money ; but he will never be able to produce industry by economy. In this argument, detail supplies the place of general principles, and individual facts are mistaken for natural results. Economy to a nation is a beggarly quality. The poorest and most indolent countries are generally the most economical. To save, is not

to produce. The miser never can be equal to the working man. Even the beggar may save his peticies until he dies worth a plum; but neither misers nor beggars are admitted as elements of the wealth of nations. An argument of this kind, started to strip the industrious man of his meritorious character, is little short of absurdity, and borders close upon the pernicious. Poor and miserable, indeed, would be that country, which, under a false system of political economy, would inculcate saving instead of producing, and estimate capital as of superior value to industry.

No stretch of economy, however, under the existing perversion of the principles of national wealth, could tend to remove, or even to mitigate pauperism. Its utmost extent could only produce *individual exceptions*, to the general lot of mendicity, decreed by *capital* to the skirts of labour. Economy in the poor could not reduce the fortunes of the rich, but economy of consumption in the latter, would prove beneficial. The cant of capital has ascribed pauperism to prodigality; but the voice of science refers it to avarice. The class of paupers seldom have a chance of wasting a patrimony; their only inheritance being misery and rags. A thousand are born paupers; for one who becomes so by waste and extravagance.

Pauperism has been considered by some, as a constituent of national wealth. It is so, on the existing system, but it is not a constituent of *national justice*. To provide for the poor, ought not to engage the attention of the people, or excite the ingenuity of philosophers; when it is so easy to prevent pauperism, by giving to industry its legitimate function of distributing its own labour, and thus affording competence to every

member of society, of industrious habits, physical health, and robust manhood.

The great crime of society in its regulation of pauperism, has been in its *visible organization* of the poor, in public communities, or alms-houses. While it is the imperative duty of society, to provide for the destitute, this provision ought never to operate as a stimulant to idleness, or as a habit, or to appear as a necessary evil, blunting the sensibility to shame. The succour administered to paupers, should be invisible to the public eye. Instead of being huddled together in a public show, their mansions ought to be separate, and undistinguished from others of the same condition of life. Inspectors, and guardians, could report, classify, and relieve them. Under the present system, meritorious poverty suffers in silent anguish; whilst hardened and confirmed vice, little superior to felons, is ostentatiously pampered at the public cost. The plea of economy for public alms-houses, is the worst reason that could be adduced, to sustain a measure, whose pernicious consequences to society outrun all computations of cost, and expense. A private system, if more expensive, would be less deleterious; but why should capital complain of the expense of pauperism, when its own distention is the cause of the evil, and its enjoyment the source of want to thousands.

CHAPTER XIV.

Of Simple and Compound Labour—Of Internal Improvement.

No feature of the social economy is so interesting, as well as productive of the comfort and wealth of a community, as the system of internal improvement. Of the two species of labour that add to the opulence, comfort and refinement of a people, that which produces *compound* industry, is unquestionably the most valuable, and the most curious. Simple labour terminates in the production of what is immediately useful, and which ends in consumption: *compound labour* is that which gives existence to what may be used as a *means* of extended labour, and augmented industry. The objects of simple labour are commodities of food, beverage, furniture, &c.; those of compound labour are machinery, carriages, boats, ships, bridges, canals, roads, rail roads, &c.

Nations are noted for being advanced in comfort, civilization, and affluence, in proportion as they abound in *compound* labour. Those which possess the best roads, the best bridges, the most facile methods of conveyance and transportation, the most perfect machinery for the fabrication of manufactures, are universally pronounced to have reached the highest point of civilization, and happiness.

Nor is this opinion to be wondered at. It is the homage of mankind, to the highest effort of intellect and invention. Simple labour is the exercise of the

most humble faculties; but to derive the means of compound labour, requires science, genius, and invention, of the most exalted class.

The application of steam to the propulsion of boats, looms, mills, &c. is of the most sublime character of intellect. The structure of a bridge on arches, the erection of a road on rails, or the formation of a canal by locks and feeders, display a colossal power of mind, and a faculty of compound labour, destined to place mankind on the highest pinnacle of enjoyment, if properly cherished, and judiciously directed.

Being, thus far, rather in the infancy, than the maturity of compound labour, its effects upon the happiness of mankind remain yet to be developed. Thus far, however, its consequences promise the most auspicious results to human happiness.

Whatever saves time and labour, must by so much increase the sum of our comforts and property, and add to the general happiness. All improvements in the *instruments* made use of by mechanics and manufacturers, and which lessen or abridge labour, add to the stock of industry, and extend the general enjoyment. If we can produce twice the labour in half the usual time, by these inventions, we become richer, and have leisure to cultivate our intellect, and enjoy the beauties of nature.

It is by compound labour, that the working classes are destined, in this manner, to rise in the scale of science, intellect, and knowledge: when by the same labour, their earnings shall be doubled, and but half the time consumed in its performance.

Hitherto the sons of industry have viewed with a jealous eye, the rapid improvements in compound labour, under an erroneous impression that it would re-

duce their wages, and deprive them of employment. Where its profits are exclusively engrossed by monopoly and capital, this will prove its immediate consequence: but the ultimate and general effect cannot fail to benefit the productive classes, by an enlargement of their comforts, an increase of their intelligence, and an accession to their importance and knowledge in the scale of society.

Internal improvements, therefore, ought to unite all classes in their prosecution; and no boundary should ever be affixed to their extension, for none can ever be objected to their utility. In fine, all MACHINERY and IMPROVEMENTS constitute in themselves an immense stock of industry, and add immeasurably to the national wealth.

These constitute a part of what is so appropriately and emphatically styled the American System; a system which has for its basis, independence, industry, virtue, diffusive comfort, and general happiness. Its aim is the moral and physical, as well as political independence of the country; and what can be more noble, laudable, and virtuous?

Internal improvements are so closely linked with the growth and prosperity of American manufactures, that they are never spoken of separately. Wherever canals and rail roads lead, there will manufactures erect their dwelling place, there will industry fix her chosen abode, and gladden the land by her smiles; for she will cause the desert to bloom like the garden; she will spread riches and abundance in the lap of penury and sloth; she will shed knowledge upon the mind of ignorance, and lead benevolence to chase away barbarism and ferocity. It is an axiom in morals, that the more a people intermix with one another,

the more refined and virtuous they become ; so that the extension of improvement is literally the promotion of civilization ! The most sociable people are always the most polite and accomplished, as the most reserved are always eminent for energy, talent, power and grandeur. It is preferable to be polished and humane, than to be ferocious, warlike and grand. With what different emotions do we read of a people who are pacific, hospitable and happy, and one that is warlike, implacable, and only renowned for carnage and conquest ! How much more to be desired is it, then, that we should devote our attention to manufacturing industry and internal improvement, than to war, rapine and desolation !

CHAPTER XV.

Distribution of Labour.

Nothing is more self-evident, than this proposition : that labour being the parent of all wealth, industry ought to be the principle of its distribution, instead of laws that have their origin in despotism, and customs founded upon the antiquated relations of master and slave.

Law, power, conquest, royalty, discovery, fraud, force, corporations, despotism, these have been, and still continue the cause of the unequal distribution of labour, or wealth.

Yet the principle of justice, which establishes right to property, is universally recognised in all the acts of society. It is decreed, that what the ingenuity or labour of a man produces, shall belong to him exclusively, with right of devisement and alienation. Here we perceive a full acknowledgment of the principle which ought to distribute wealth; the INDUSTRY or GENIUS that creates it. But when we come to the primitive source of property—LAND, all this apparent sense of justice vanishes, and fraud and force stare us in the face. Looking to the earth, as the origin of the elements of labour, its original tenure and possession tends more to establish the principle of the *distribution of wealth*; than all other causes combined; and when this tenure and possession was effected through means

having no affinity to justice, labour, or the payment of an equivalent, it would indeed be strange if industry should receive a proper and equitable measure of its wealth.

Aristocracy has received the maxim from feudal Europe, and proclaimed it with all the bloated importance of imitative pride, that NATURE HAS DOOMED THE MANY TO LABOUR FOR THE BENEFIT OF THE FEW. It would be difficult, however, to show, that nature, when she gave faculties to *all* the human family to acquire more than is necessary for their comfort, at the same time ordained a principle, which has no trace but in the *arbitrary* laws of power, that the labour which was thus produced, should be snatched from the industrious, to pamper the idle voluptuary—the LORD of the soil, and accumulate in heaps, whilst the hands that produced it should famish. There is no such principle in nature, or in justice—and its existence in law is a fraud, and a perversion, whose evil fruits are the best evidence of its outrage on equity. This prejudice has its origin from the feudal passions and institutions of Europe, whose literature and polity have engrafted it on the minds of the superficial of our own country. It is a sentiment that royalty would embody in the national songs of a *kingdom*; and that the pensioned writers of the nobility would be paid for inculcating on the minds of an oppressed yeomanry, whose labour was plundered for the benefit of the *three orders*.

In this country we have *no orders* but the *people*—no sovereign but the *people*—no rule of action but the happiness and safety of the community; and under our constitution and laws, founded on those of nature, INDUSTRY, not law, is the rightful distributor of property.

On this point, even David Hume, who was a tory, as well as a royalist—in other words, a disciple of the feudal system, admits the transcendent authority of nature.

“What is a man’s property? Any thing, which it is lawful for him, and for him alone, to use. But what rule have we by which we can distinguish these objects? Here we must have recourse to statutes, customs, precedent, analogies, and a hundred other circumstances; some of which are constant and inflexible, some variable and arbitrary. But the ultimate point, in which they all professedly terminate, is the interest and HAPPINESS OF HUMAN SOCIETY. Where this enters not into consideration, nothing can appear more whimsical, unnatural, and even superstitious, than all, or most of the laws of justice and property.” He continues: “It must, indeed, be confessed, *that nature is so liberal to mankind*, that, were all her presents equally divided among the species, and improved by art and industry, every individual would enjoy all the necessaries, and even most of the comforts of life; nor would even be liable to any ills, but such as might accidentally arise from the sickly frame and constitution of his body. It must also be confessed, that whenever we depart from this equality, *we rob the poor of more satisfaction*, than we add to the rich; and that the slight gratification of a frivolous vanity, in one individual, frequently costs more than bread to many families, and even provinces.” Again he observes—“*Whatever is produced or improved by man’s art, or industry, ought for ever to be secured to him*, in order to give encouragement to such *useful* habits and accomplishments.”

Agrarian laws have prevailed in many countries.

The Romans frequently made an equal division of lands, to restore the equilibrium between the poor and the rich. Such partial remedies, however, are as fleeting as ineffectual. The only sure and permanent reform of the present system, is to permit labour to regulate its own distribution, without the coercion of law, to force it into the channel of CAPITAL.

All combinations of labour, to resist the extortion of capital, are illegal; and they who combine, are punished as felons, conspiring against the welfare of the state.

All combinations of capital, to oppress industry, are legal, and receive a reward for their rapacity and despotism.

The cause of this injustice is obviously displayed in the history of all ancient countries, down to a very late period; in which the artisans and labourers were all slaves, who worked for the sole benefit of their lords. As this, then, was the principle of the distribution of labour, which now prevails; it is manifestly just, that the relation of slave and lord having been abolished, the laws and customs of society ought to conform to the dictates of natural equity, which ordains, that industry shall distribute the wealth it produces, for the common happiness and comfort of all the children of toil.

CHAPTER XVI.

Of Prices—Supply and Demand—Value.

PRICES have no connection, or influence on the wealth of nations ; but they tend to make the fortunes of individuals, by transferring property from one to another, at different periods, according to their fluctuation, as caused by the increase of the supply and demand of commodities, or the variation of the current money. As money is abundant, prices will be low ; as it is scarce, they will rise : or, as the supply is not adequate to the demand, they will be high, and as it exceeds the demand, they will fall.

In a country like ours, where the currency is fictitious, and composed of paper, liable to constant expansion and contraction, prices are liable to the most ruinous fluctuations ; for although their instability cannot diminish the amount of industry, yet they tend to unsettle trade, manufactures, and commerce, to which stability and regular prices are the best friends. By making property change hands, without the intervention of labour, or equivalents, they beget a habit of idleness, speculation, and gaming ; and create an order of men, whose business it becomes, not only to watch the fluctuation of prices, but to *cause* that fluctuation, by fraud, management, and stratagem, in order to avail themselves of the profits, or in other words, acquire the labour of the industrious by a lucky stroke of deception. Thus inequality of fortune is daily created

by the inflation and collapse of those paper balloons, denominated *banks*, and their air bubbles, paper credits.

Prices, therefore, whilst they neither augment, nor diminish *value*, which is the *commodity*, or product of labour itself—yet cause the transfer of *values*, from one to another, without the exchange of an equivalent; not necessarily, however, or of themselves, but by the operation of causes which control them. When the balloon of paper credit is in full expansion, an estate may cost 50,000 dollars; and when the same balloon has collapsed, it will only sell for 20,000 dollars, and the first purchaser may be a beggar. Yet the estate, the *real value*, remains the same, neither augmented, nor diminished in value. This is one of the evils attending the paper money system, which causes *pieces of paper* to represent commodities, and substitutes the *fiction* for the reality of labour.

An idea of the real deleterious influence of paper credits upon trade, prices, value, &c. may be obtained from the fact, that a *counterfeit detector*, in the form of a weekly journal, has been found necessary to protect traders from the spurious and depreciated bank notes which always maintain a circulation.

CHAPTER XVII.

Of Bank Notes.

THE fictitious medium of exchange, so prolific in causing the fluctuation of prices, now demands consideration. Our currency is composed of bank bills based on the *supposition* of a metallic foundation, or specie responsibility.

What is a bank bill? It is an order on paper, for so much money, *drawn upon the producer of labour*. Its acceptance, receipt, and circulation, is tantamount to the payment of an order upon the person receiving it. Suppose a farmer sells twenty barrels of his flour for a bank note of \$100. The note is an order to take from him this amount of labour, and leave him a \$100 bank bill. This bill is worth nothing *intrinsically*, it has no value—it is but the mere presumption, appealing to his *faith*, that it will bring him \$100 in silver, gold, or labour. Acting on this presumption, he travels to town, to purchase goods; which having done he offers in payment the \$100 note. The storekeeper tells him the bank has stopped, or broke!—In this manner, the luckless farmer has parted with his \$100 of labour for a *shadow*; and his property has passed into the hands of the adroit speculator. In many ways, his \$100 note may prove equally worthless! But taken at the best advantage, it has this detrimental property, that it cannot purchase an equal amount of any commodity, that his \$100 worth of labour would command, supposing the paper money had no existence. Such is the character and

operation of every bank bill, and every treasury note, or public stock certificate. It is a draft from capital. *drawn upon labour at sight*, and paid by public credulity, faith, or what is sometimes termed credit.

The party that profits, and the only one, in this transaction of fiction and fraud, is the banker, the stockholder, and the speculator; who are generally a trinity, or the three combined in one. By this operation, the banks, or corporations, make use of the entire property of the community, for their own exclusive profit, interest, and usury. They draw bills upon our lands, our houses, stores, ships, and every species of real labour; upon which they make a profit of seven per cent. per annum, besides causing an increase of prices, that proves highly pernicious to the industry of the country, in its competition with foreigners.

The only specious argument in favour of bank credits, has been founded on the fact, that they throw into circulation all the labour of the community, and thus stimulate trade by the increase of fictitious money. But for whose profit and benefit, is this increased circulation? Exclusively for that of the *stockholder*, and never, in any degree, for that of the *producer*, upon whose labour he thus freely draws at pleasure. It is *labour* that pays the bank bill—it is labour that pays the interest: and after thus paying capital and interest for the exclusive benefit of the idle class of stockholders, how can it be possible, that labour should not suffer under the double burden of sustaining the idle, pampering the rapacious, and gratifying the gambler.

It is contended, however, that banks having *capital*, their operations are based on a real foundation. Against this we observe, that if they operated on their capital only, they would not issue *bills of credit*, and the mo-

ment they issue bills, they leave their capital for credit. It is, besides, self-evident, that corporations acting upon capital only, encumbered as they are with such immense expenses, would soon sink their funds altogether, beneath the double pressure of expenditure and losses: Banks, to cover their *losses*, and make a *covetable* interest, must operate on twice or three times their capital; and hence it is that their business is essentially bottomed on credit, under the fiction of capital, and substantially operating upon the *labour of the producer*, for their income.

Paper credits obtain a circulation on the presumption that they represent *money*, or gold and silver: but this is only a presumption, not a reality. The whole amount of the precious metals scattered throughout the world, would scarcely be sufficient to redeem the paper credits of the United States. But if the amount of specie were equal to the *credits*, there could exist no motive to circulate the credits—as a substitute for the metals; the great merit, and peculiar character of the credit system being, that it anticipates and circulates not only all the *labour*, but all the *gold and silver*; at the same time that it lies passive and inert in their vaults.

It is this idea, however, of entire specie convertibility that gives to paper all its worth. This idea, then, being an illusion, in the very nature of things, it is obvious that society is duped, as well as plundered by the fiction: for if there existed this entire convertibility, there would be no advantage to the stock-interest, in their paper credits: a bank that would circulate only dollar for dollar in specie, would never produce a dividend; for their expenses and bad debts would speedily absorb their capital.

A bank bill, then, it will be seen from the foregoing remarks, is in itself worth nothing—that its whole worth is derived from *labour*, which pays it, at the moment it comes into circulation—that the bank gives it no value—~~for~~ when it returns to the bank it is no longer a *credit*—that it is no money, nor gold, nor silver, nor equivalent to gold and silver—possessing in itself no single property of preciousness, stability or usefulness.

The complaint then justly exists, that government, bound to secure to every citizen equal rights, should have ventured to delegate to corporations an absolute power over the *labour of the producer*, by placing it at the disposal of these bills of credit?—Where is the *security of property*, under this artificial mode of causing it to change hands, without the intervention of equivalents? In fine, where is the happiness of society, when thus placed at the mercy and discretion of a privileged order of speculators, whose attribute of sovereignty is an entire control over the property, fortune, and happiness of man: who can at pleasure deprive him of the fruits of his industry, reduce him to penury, or compel him to become the tenant of a poor-house or a dungeon.

This power, however, of corporations over the mass of society, would be less culpable, and less intolerable, if it were exercised with a spirit of equal oppression over all. But the hardship is exclusively confined to those who labour; and the benefit entirely restricted to the pampered sons of idleness and capital. *Industry* is the victim—idleness the victor!

Under these circumstances, why should *public credulity* continue a slave to this oppressive fraud? The reason is, because the public understanding is not enlightened. Let every man come to have a proper con-

ception of a *bank bill*, and society will unanimously unite to put down the fraud; and return to the use of *realities*, and the measure of value and justice, in the exchanges of trade. With a view to this object, I have endeavoured to point out the real properties of *paper credits*, in a manner as lucid as I could conceive; but to have a full conception of their character and tendency, the other branches of economy must likewise be studied; and to these I refer the reader.

It has been well observed by a profound writer,* that governments have no more right to grant charters for the purpose of uttering a fictitious symbol of money, than they have to incorporate a company for the object of granting *patents* for lands already settled by the proprietors. To circulate a bank bill is as essentially an invasion of property, and social right, as to sell the land over again. In fine, *bank credits* do in effect transfer land anew, as we have already pointed out, by the constant fluctuation of the measure of value; and the power to manufacture bank notes, is in substance a power to absorb labour, and acquire property without the intervention of an equivalent.

In fine, *gold and silver* are the symbols of labour, and bank bills the symbols of gold and silver—the shadow of a shadow—the *spurious* representative of the measure and standard of industry.

*Taylor—See Enquiry.

CHAPTER XVIII.

Coasting Trade—Domestic Commerce.

Too little attention has hitherto been devoted to the domestic commerce of nations, the coasting trade, and all that branch of the internal exchange of labour, which in fact makes up the real wealth of a nation. This neglect, of one of the primary sources of comfort, and industry, is owing to the same cause that has depressed and depreciated the value and importance of labour; that cause is capital, monopoly, stock, paper credits, and what may justly, and emphatically be termed, *the pride of occupation*.

Domestic commerce was, no doubt, long anterior to foreign trade. The primary exchanges of labour would be first, between different parts of the same country. One section would grow cotton, and another would manufacture it into cloth; and, it is probable, the equivalents passed for the raw material would be some kind of provision wanted by the cotton growers, as well as the return of the cotton, in the form of cloth, to be used for clothing. Nor would this domestic trade be less profitable than foreign commerce. The most opulent nation of the world, is supposed to be China; which, standing passive in regard to foreign trade, has become the most wealthy empire in the world, from the domestic commerce of the country, and the interchange of labour, between her different provinces.

Nothing is more calculated to stimulate industry,

than domestic trade. The proximity of the market, the short time occupied in the voyage, or transmission of labour, the little risk, the certainty of information touching the market, the quick returns obtained for the labour, or merchandise, all conduce to make it more safe, as well as more profitable than foreign commerce. The profit of domestic trade, although directly not so great, by being repeated more frequently, becomes greater in the aggregate; and although fortunes are longer accumulating, they accumulate with more certainty. In the same manner, the increase to the wealth of a nation, although not so sudden, as in foreign commerce, yet the loss is not so great, so that all circumstances considered, it is better, and more lucrative than exotic trade. In fact, it is the mass of labour, that circulates within a country, which constitutes its real wealth, and not the amount of labour which is sent abroad on speculation; and which may return with 100 per cent. profit, or a *total loss*, and the chances are about equal.

By a domestic trade, the profit is sure to be on the side of the country; by a foreign commerce, you may pamper your rivals, and even place weapons in the hands of your enemy.

By domestic trade, the precious metals are sure to remain in the country, but a foreign commerce invariably carries them out, especially if the country has the balance of labour against it, or does not manufacture for herself.

Domestic commerce tends naturally, and unavoidably, to improve the face of a country, and bring the citizens into habits of intimacy and friendship, with a perfect knowledge of each other's wants, capacities, and dispositions, all of which tends to their happiness,

comfort, virtue, and independence. It leads to facilities of communication, improvement of roads, construction of canals, bridges, and all those machines of labour, and instruments of exchange, which make up the sum of wealth and civilization.

If simplicity of manners can be preserved in a people compatibly with their wealth and prosperity, it is preferable, because it tends more to the preservation of happiness, and freedom. Hence, the importation of foreign luxuries is not so much to be desired, as the consumption of home products, and the cultivation of domestic industry.

Foreign trade introduces foreign habits and customs, whence is generated that pernicious practice of *absenteeship*, which lures the capitalist of one country to spend his life in another, and abstract the labour of his *native country*, to dissipate it among foreigners.

Where diversity of occupations and variety of climate lead to the production of an equal variety of labour, a domestic commerce is quite as profitable, or even more so, than a foreign one; because the labour of the country all remains at home, and nothing is paid for foreign labour. It is a false idea, generated by luxury, which has attached so much importance to foreign commerce, and especially, in European countries, by the circumstance of decayed noblemen sometimes embarking in it, together with the immense capitals accumulated by merchants, which enabled them to loan great sums of money to kings, and to purchase *titles*, which they could not earn by their merit alone.

In truth, foreign trade is a very inconsiderable means of national prosperity, and is rather an adjunct of wealth, than an integral part. The great avenue to

riches, is home labour. It is this which gives vigour and stamina to all things. Take for example, the coal, iron, and other staples of Pennsylvania, or the cotton and rice of Georgia, or the sugar of Louisiana, or the cloths of cotton, and wool, of the eastern states, what a prodigious exchange of labour is here generated, to the common benefit and wealth of the country. Compare such a trade with the export of our *money*, to buy teas in China, or silks in France, and Italy, or cloths, and cambrics, and linens, in Great Britain and Germany. There can be no estimate of the superiority of a home trade, to such an unequal traffic in exotic labour.

The resources of a nation are multiplied by domestic commerce, in a ratio that forbids all comparison with the external. It augments population, promotes the settlement of desert tracts of land, causes smiling and happy villages to rise in all directions, inspires industry, diffuses labour, equalizes fortunes, leads to the culture of the arts and sciences, and gives a spring of vigour and advancement, to the whole system of social happiness.

A steady home market for our products, is better than a fluctuating foreign one: the one is firm, constant, and unvaried, always giving employment to the same hands, and producing the same profit; the other is timid, variable, feverish, and uncertain as to employment, wages and profits.

The results of a prosperous home trade are palpably visible on the improved face of our country, within a few years. Since the stagnant condition of our foreign commerce, by which I mean its failure to increase with the increase of the country, and the consequent diversion of capital into inland commerce,

manufactures, coasting trade, &c., the improved state of the nation in its internal wealth, is prodigious. Steamboat transmission, canals, rail roads, turnpikes, bridges &c. have shot up with a rapidity truly magical, and have led to consequences so great, as often to perplex the mind between reality and fiction.

Every improvement in a country which diminishes the labour, cost, and time of transportation, is a real increase of wealth, besides, that it brings, as it were, the most remote places close together, an advantage in relation to trade, that is of great importance.

Every measure, therefore, which promises to add to domestic exchange of labour, ought to be scrupulously looked after, by a wise government, as embracing all the essential elements of wealth, happiness, virtue, and independence, and more especially in this country, so remote from all the nations of the old world, and so capable of developing all those sources of wealth, comfort, and independence, which make nations happy, without resorting to commerce with distant foreigners, on injurious or perilous terms.

CHAPTER XIX.

The Balance of Trade.

As an infallible test of the increase, or decline of the industry and prosperity of a nation, the *balance of trade* forms an important study to the political economist. It is the barometer of labour, in our competition with foreign countries, and furnishes indications, the most useful, how to direct the industry, and regulate the commerce of the nation; so that we may escape becoming the mere province, or dependency of the more industrious, or skillful, or prudent, of the countries of Europe.

The same laws and principles that enter into trade between individuals, are likewise common to nations. It is the balance of profit and loss which determines the fortunes, or produces the ruin of the merchant. It is the same with nations. A country which imports more for consumption, than it exports for sale—estimating the sale by the amount of the *returns*—must be a loser by the trade, however individuals may profit or gain. Such a commerce must necessarily produce an unfavourable balance of trade against the country; and gold and silver must be exported to pay for the superflux of importations. This gold and silver is not a serious loss in itself, but it is a *test* to show, that we are living too much upon the labour of others, instead of producing enough ourselves, for home consumption.

The exchange of values, when those values are in commodities, is always profitable to a country; because we part with superfluities that are of no use, for commodities that are useful; but when to effect this exchange, we are compelled to export gold and silver as equivalents, it becomes a losing trade, and shows the balance of *industry* to be against us. A parallel between a trading manufacturer and his customers will illustrate this losing operation. Suppose a cotton weaver has 1,000 dollars in coin, but that he engages to pay his landlord, his grocer, his baker, his cotton merchant, &c. in cotton cloth of his own fabrication; but when his landlord calls for payment of his rent, having previously parted with a large stock of his cloth to his cotton merchant, he finds himself unable to meet the demand. But his landlord insists, and finally he parts with a portion of his 1,000 dollars. By a repetition of this falling on his capital, he at last discovers that his 1,000 dollars have disappeared; and again falling under the same embarrassment, he becomes a ruined man. Is it not evident that his first payment of his capital ought to have been avoided? and that instead of paying his money, he ought to have either increased his manufacture of cloth, or reduced his consumption of the produce of the baker, grocer, &c.? Nations are like individuals, individuals like nations, and the balance of trade being unfavourable to either, ruin ultimately covers them; or, what must be considered the same thing, poverty, dependence, and lassitude.

The example of Spain and Portugal, are melancholy proofs in point. Reposing in indolence upon the produce of their American mines, they neglected their manufactures, arts, and industry; content

to import the labour of England, and pay away their gold and silver. The consequences are manifest in their poverty, degradation, and provincial dependence; and the natural result of opulence, vigour, and power, on the part of England, whose industry absorbed so essentially the golden dew of her indolent neighbours.

If any proof, therefore, were wanting of the pernicious influence of an unfavourable balance of trade upon a country, Spain and Portugal would produce a demonstration that would preclude all doubt.

It is from a perception of the truth of this principle, that labour is essential to national independence, comfort, and vigour, that all countries, who have not been wrapt in the delusion of gold and silver mines, have ever been careful to cherish, foster, stimulate, and protect their own manufactures, their own agriculture, and every mode of their own industry, as a counterpoise to the industry of other nations, and a sure resource for themselves, when need and peril beset them.

Every circumstance favourable to the preservation of a balance of trade, ought to be studiously cultivated by a wise and provident government. In addition to a large stock of industry, *cheapness* of labour and commodities, is an important consideration; to enable us to compete with, and undersell other countries. Here, however, the immense paper currency of our republic proves a fatal obstacle, by enhancing the price of labour and commodities, to so great a degree, as to give the superiority to our rivals. Notwithstanding her immense national debt, and credit system, this one circumstance of cheapness of labour in Great Britain, has caused the world to become her debtors—tributary to

her industry, and pouring their coin at her feet, in payment of a ruinous balance of trade.

All improvements in machinery, which is compound labour, adds to the cheapness of labour. To the application of steam, and other inventions, is England indebted for that vast superiority of advantages, that has made her the banker of the world.

CHAPTER XX.

Of Taxes.

It is of the first importance to a people, as well as to governments, to know what are the most equitable and productive modes of taxation ; and where the people constitute the government by free suffrage and representation, it concerns them essentially to be familiarly conversant with the principles of sound economy, in relation to the proper objects of revenue.

The most equitable, uniform, and productive taxes, are those which are levied upon articles of general consumption. This makes it a matter of choice, whether the citizen pay such a tax, or not—it becomes in some sense voluntary ; and imposts of this description are at all times preferable to those that are compulsory. They are more just, more popular, and more productive.

Taxes, however, upon the necessaries of life, should be carefully avoided ; for they oppress labour, check industry, dispirit the labouring people, causing discontent, indolence, intemperance, and emigration, as well as serve as a check to marriages and population.

Articles of luxury ought always to be selected for taxation, in preference to all others ; because they fall upon the rich, and leave the poor the option to pay them, or not, by abstaining from their use, or consumption.

Visible and tangible objects, should be selected for taxation ; as lands, houses, &c. whose value may be as-

certained without prying into the privacies of the citizen; or subjecting his household to an inquisition. In like manner PUBLIC STOCKS ought to be selected above every thing else, and all visible capital that accumulates by interest or usury.

The antiquated doctrine, that all taxes fall ultimately upon land, has been long since exploded; and the rational maxim is now admitted, that the consumer pays the tax. This principle settles at once the equitable character of all imposts upon commodities, lands, or public stocks. But if there is finally any general interest upon which the onus of taxation rests, it is upon labour—for after all, labour is the fountain whence gushes all wealth, and the rock which endures all burdens, tempests, and storms.

Taxes upon personal income, are odious and oppressive—so, likewise, are all excises upon particular professions, trades and occupation. A tax upon *shopkeepers*, for example, equals the most arbitrary oppressions of despotic Turkey. No tax should ever enter a man's door, but by a voluntary act of his own. Tax his house, or his land, but nothing within "*his castle*," or about his person.

All other modes of taxation are light and unoppressive, compared with that insidious and artful compound of impost, a *public debt*; or what is denominated the FUNDING SYSTEM. This, though not a tax in form, is a double one in reality. It operates as a perpetual and unceasing tax. First, the interest that accrues on it, must be paid by a tax. Second, by increasing the price of labour, it operates as a tax on industry; and thus burdens the community by a twofold operation. Yet a public debt, instead of being considered a tax, has been pronounced a blessing;—so artful are govern-

ments to conceal their extortions, and palliate their misdeeds.

In the same way, all monied corporations are taxes upon industry, and every bank bill that issues, carries a burden upon labour. The taxation is indirect, to be sure, but it is not the less effectual; it is not less onerous than imposts on consumption; it is not so light and innoxious as a direct tax of the same amount.

In respect to government, taxes which abstract labour from the productive classes, to constitute the revenue of the nation, may be rendered not only innoxious, but positively beneficial to a country, through a judicious method of expenditure. By the encouragement of science; the cultivation of literature; the institution of colleges, universities, and other means of disseminating knowledge; by premiums for useful inventions; and manifold other applications of public revenue; this onerous burden on the working men of a nation, may be directed into the most beneficent and productive channels. I am aware that this public consumption of labour has been represented as wholly *unproductive*. This point will admit of contestation. The tax is again expended by government among the productive classes; whether we take the department of the navy, the army, the judiciary, or the legislature. Taxation is not a total destruction of value. The amount of labour abstracted, soon returns into the stream of circulation, and reunites with its congenial element.

Suppose a tax levied, to prosecute internal improvements. There is a positive and direct benefit derived from the partial abstraction of individual wealth to the public revenue. It is a productive consumption of value, which begets other values, and leads to compound labour. On the contrary, a tax applied to pamper

court favourites in voluptuous pleasures and refinements, would be highly pernicious to a country, by the destruction of value, which could never be replaced. This is the case in Turkey, England, France, Russia, and the other monarchies of Europe and Asia.

Taxes may also be imposed in the form of lotteries. This is the most pernicious of all modes, because of the consumption of wealth, and destruction of value; for it is accompanied by an effect which obstructs all production—idleness, speculation, and the countless evil attendants of the passion of gaming.

CHAPTER XXI.

Of Credit—Public Credit.

MAN, impatient of labour and eager in the pursuit of gain, is forever tempted to anticipate the future, in order to enjoy the present moment. *Credit* was one of the first fruits of this passion in commerce, as soon as wealth began to crown the efforts of industry. All were desirous to receive labour, without an immediate payment of an equivalent; but stipulating at a future day the payment of the amount agreed on between the parties. Hence the origin of commercial credit—promissory notes—bills of exchange—book credits, and other modes of specifying payment at a given period of futurity. In some cases, necessity and convenience were no doubt equally the inventors of this system, of which, indolence, rapacity and avarice soon availed themselves of the advantage.

This species of commercial credit would very soon extend itself to the utmost limits of human cupidity, as far as the convenience of trade, or the prospect of fortune allured enterprise, or tempted ambition. The danger of keeping large sums of money, together with the profits to be derived from lending out bills of credit, drawn upon the industry of those who labour, would speedily stimulate individuals to become bankers; as well to negotiate commercial exchanges, as for other purposes of discount and brokerage. The immense fortunes made by this absorption of the labour of the industrious, soon gave rise to incorporated companies,

or joint stock proprietors, under the denomination of banks; endowed by law with power to coin as much fictitious money as their rapacity should prompt to. The bills of these companies, called *bank notes*, are *bills of credit*, drawn upon the labour of society, for the exclusive profit of the proprietors of stock. At first these associations of stockholders were formed on the substantial basis of *gold and silver* capital: but as experience showed them that *public faith*, enforced by law, seldom or never brought any great demand for these metals, beyond the mere small coin currency—the idea was suggested of making banks on a capital entirely fictitious; or, with a metallic basis so small as to be equivalent to a fiction. Thus banks became instituted with one twentieth part of their capital only; the first instalment only being paid—the stock being then *pledged, or hypothecated* to the bank, and a loan obtained on it equivalent to the future instalments. Thus, as in compound labour, banks became the instrument of compound credit; generating one fictitious capital upon another, until the basis was entirely hidden in the clouds of fiction, and the fogs of interminable speculation. And this compound generation of credit, with all its profits, interest, and costs, falls exclusively upon labour. The bank becomes a mere machine for absorbing the product of industry. By lending out its capital with a prodigal hand, it can cause a rise in the price of property, by making money abundant, which will tempt the most sedate to view it as a flood of prosperity which cannot fail to enrich them. The tempting bait soon engulfs in ruin, not only the unwary adventurer, but with him, the whole community become losers to those who perceive the issue of the speculation. The bank now contracts its issues, or

calls in its loans—money becomes scarce—property is sacrificed to preserve credit, and the depreciation of labour is general and appalling. In this convulsion, fortunes change hands with the rapidity of the throw of the dice; and the only gainers are the banks, or their managers, or the cormorants and vultures who prey upon the unfortunate in times of public calamity.

This species of compound credit necessarily imposes a double tax upon labour, of which it is the fiction. As all interest is paid by labour, a credit system which multiplies fiction upon fiction—credit upon credit,—can only be sustained by the substance of all wealth—the stock of industry. Let us suppose a case of a bank that becomes insolvent. In its vaults no specie is to be found, but it possesses twenty per cent. in the substance of labour—in houses, stores, lands, and other property, which by security and mortgage has come into its possession. Why did it become insolvent? Because its capital was a fiction; twenty per cent. only being paid in; whilst for a series of years, it had been declaring a dividend of eight per cent. upon one hundred! Thus the loss, as all losses do, ultimately falls upon labour.

Bank credits were unknown to antiquity; and it does not appear that commercial credit obtained to any degree. Equally a stranger to them, was the system of PUBLIC CREDIT, or borrowing upon the credit of labour and of posterity, for the exigencies of nations in periods of war or distress.

Unhappily modern nations have not only used public credit to a most wonderful extent, but they have abused it to a ruinous one.

As interested speculators are ever ready to deny the truth of principles, which are totally subversive of their

selfish and fraudulent designs, it is incumbent on those who are free from the poisonous influence of the *money passions*, and have some regard to the public welfare, to confound the hardy assertions of stupidity or avarice, by showing all the proof, bearings, and relations, which reason and experience furnish, of the destructive effects of paper money. In our own country, which has twice been subject to all the evils of a depreciated currency, and which is now severely suffering from the losses and oppressions it gives birth to, it may justly excite wonder, that any man should remain sceptical on a subject which is hourly brought within the scope of his own ocular demonstration. During, and for some time subsequent to the war, not a man, woman, or child, in the country, but felt and complained of the harassing vexations of the depreciated paper credits, which in the form of *change*, subjected them to much loss, in the most petty operations of domestic economy: a loss which, in the *aggregate*, must have amounted to thousands—nay, hundreds of thousands of dollars. At the same time, the depreciation of larger bank credits, involved the trader in proportionably larger losses. The difference between paper and real money, varied from five to twelve per cent. The exchange—or difference of value, between the paper of one state and another, was about the same. All these losses, was so much deducted from the produce of industry, to fill the pockets of the *brokers* and *the banks*—two of the most idle and unproductive classes of society which gorge upon the honest gains of the laborious citizen. At the present period, the same evils stare every man in the face, and rob every man of his money—notwithstanding that an illegal and unconstitutional mint of paper money has been oppressively imposed upon the people,

to cure this ruinous depreciation. We have been robbed of a most important part of the rights and privileges of freemen, to create a *national paper bank*, which was intended to remove, but which has only added to the grievance. Our malady was too much paper—the whole country was saturated—was overflowing with it—and the great doctors of the state prescribed a larger dose than ever we had before swallowed. The consequence was unavoidable—the grievance still annoys society—specie is at a premium—domestic exchange feeds the brokers at the expense of the labourer—and every man pays a tax of three or four per cent. to maintain this foul and rotten system of paper credits—one hundred dollars of which you obtain at the bank, for one hundred dollars worth of the product of labour; and when you pass this credit or note, in the course of trade, it brings you but ninety-six dollars standard money, in return. Such is the sure and incontrovertible testimony of experience in our own country; without adverting to the horrors of the *continental money system during the revolution*; or the still worse oppression of the people of Ohio and North Carolina, by compelling them to pay their taxes in *specie*!

What is the verdict of experience in other countries? Previous to Scotland's being united to the other two kingdoms, the system of bank credits was almost wholly unknown—and immediately after the union, a recoinage of the money being made, it was ascertained to amount to about a million: at the close of the 18th century, after bank credits had become abundant, and the nation had grown in trade and riches, not more than 300,000*l.* in specie was to be found in the country. A consequent depreciation of paper credits took place.

France, of all the nations of Europe, possesses comparatively the least amount of paper credits. Hence the precious metals are abundant in that country—labour is cheap, and living proportionably low. In England, on the contrary, the national debt, combined with the bank credits, tends to beget much of the evils of which we complain here—so that they are often compelled to suspend the payment of specie, at the bank. This is owing to the immense amount of their public debt held by foreigners, who draw the interest in bullion—and thus often counterbalance the advantages of their industry and manufactures, which bring an influx of specie into the kingdom. But their national debt is so enormous, as to bear no proportion to their mass of industry.

There is a natural proportion between artificial money, and industry, and commodities, which should never be surpassed, or broke through, by a wise and provident people; and this proportion is ascertained by such paper money being equivalent to the *precious metals*. No other certain standard exists, by which to test the proper and wholesome emission of paper credits: As to the quantity, or mass of the *precious metals*, which we should possess, it may be laid down as a maxim, that no nation can have too much of them, so long as there are commodities to be exchanged for them in our own country; because their quantity is regulated by the *surplus product* of our industry—that is, by the produce and articles we are enabled to sell, over and above what we consume. Now the system of *paper credit* is a refinement upon the product of labour, which, when carried beyond the specie capacity too far, becomes pernicious, and defeats the purpose for which it was intended. Their object is to extend, or

anticipate, by artificial means, the product of labour ; that is, a person who has his surplus-produce on hand, and cannot, at the moment, find a market for it, borrows so much of a bank (a paper credit) on the pledge of this produce—or what amounts to the same, an adequate security. This is a positive advantage to trade so far : and here is an end to that part of the operation. We now look to the operations of the credit. It is passed, in the *market*, to a third person, for a valuable consideration, equal to its *numerical* or *artificial* value. This person wishes to remit this sum to a foreign country for purposes of trade, where its *local credit* is lost—he presents it to the bank and demands the specie ; they have suspended *specie payments*. What is the situation of the trader now ? He must have solid money, and he takes the credit into the market, when, adding four dollars to the hundred *bank credit*, he obtains one hundred specie : this is four per cent. loss on the product of his industry, which the trivial advantage of the first trader anticipating his sale, can in no manner compensate. For what would be the result, supposing the first could not obtain the bank credit ? Why merely a delay in the sale, which cannot obstruct the exercise of his industry ; whereas the second suffers a real loss. This is the most simple illustration of the subject that I am acquainted with : that it is a correct one, I can pledge all the admitted authorities that ever reasoned upon the science of political economy. It appeals, however, only to the common judgment of mankind for its justice and reality.

Estimating according to this natural criterion, the mass of paper credits proper in this country to facilitate the purposes of trade, without degenerating to a

nuisance and an evil, we may confidently pronounce its utmost limit, at about thirty or forty millions : more than this is pernicious, because this is about the sum of our *surplus industry*; the latter is rather less than the former, if any difference obtains—this is proved by the mass of current bullion not exceeding thirty millions of dollars.

Close upon the invention of banking, followed the system of borrowing money, in anticipation of revenue and taxes, to defray the expenses of government, or meet the wasteful exigencies of war. In time this system of borrowing assumed the shape it now bears, of *funded debt*, for which the certificates of government are issued, bearing an annual interest, until at last, it has become so familiar to every mind, that it would indeed appear an unpardonable ignorance to be unacquainted with the *public funds*, or what, in this country, is more commonly denominated the *national debt*; a debt, which in respect to a country, imposes on it a most onerous and calamitous burden; and in relation to trade, manufactures, agriculture, and commerce, is beyond calculation pernicious and destructive.

In this country, the Revolution, and the wars of '97 and 1812, brought upon us this public calamity, to pay the interest of which we have ever since been so heavily taxed, through the indirect means of *imposts*, or duties on the imported necessaries of life, which have stripped the mass of the producers of millions, as a bonus to the idle stockholder, and luxurious capitalist. Its operation upon labour is to depress, harass, and impoverish, to create inequality of fortune by the artificial excitements of speculation and stockjobbing, without the agency of talent, or the intervention of in-

dustry, to the exclusive expense of those who toil, and those who produce.*

* On this point, Alexander Hamilton, who in all his reasonings argued on the fundamental doctrines of the WORKING PEOPLE, has the following pertinent observations :

"The emitting of paper money by the authority of government," says Mr. Hamilton, "is wisely prohibited to the individual states, by the national constitution, and the spirit of that prohibition ought not to be disregarded by the government of the United States. Though paper emissions under a general authority, might have some advantages not applicable, and be free from some disadvantages which are applicable, to the like emissions by the states separately; yet they are of a nature so liable to abuse, and it may even be affirmed, *so certain of being abused; that the wisdom of a government will be shown in never trusting itself with the use of so seducing and dangerous an expedient.* In times of tranquillity it might have no ill consequence, it might even perhaps be managed in a way to be productive of good; but in great and trying emergencies, there is almost a moral certainty of its becoming mischievous. The stamping of paper is an operation so much easier than the laying of taxes, that a government in the practice of paper emissions would rarely fail in any such emergency, to indulge itself too far in the employment of that resource, to avoid, as much as possible, one less auspicious to present popularity. *If it should not even be carried so far as to be rendered an absolute bubble, it would at least be likely to be extended to a degree, which would occasion an inflated and artificial state of things, incompatible with the regular and prosperous course of the political economy.*

"Among other material differences between a paper currency issued by the mere authority of government and one issued by the bank payable in coin, is this, that in the first case there is no standard to which an appeal can be made, as to the quantity which will only satisfy, or which will surcharge the circulation—in the last that standard results from the demand. If more should be issued than is necessary, it will return upon the bank. Its emissions, as elsewhere intimated, must always be in compound ratio to the fund and the demand:—Whence it is evident that there is a limitation in the nature of things; while the discretion of the government is the only measure of the extent of the emissions by its own authority."

In another view, they are equally detrimental, and assume the same pernicious character as bank bills; the funded debt possessing the quality of money, and having a currency equal to gold and silver. In this manner it tends to raise the price of commodities, and throw a great obstacle in the path of our home industry, by augmenting as well the price of labour as of materials. Besides, foreigners will always be tempted to its purchase, and thus impose upon us the tribute of interest, to be abstracted from the metallic currency of the country, to its impoverishment and degradation. As they tend, also, to banish gold and silver from circulation, of which they become the substitute, they are highly pernicious. The last blow given to our metallic resources during the late war, was by the issue of *treasury notes*. A funded debt also begets a *monied interest*, distinct from the general interest of society, and which aspires to rule the people, and engross the government, because they constitute an IDLE CLASS of society, which generates aristocratic ideas, and leads them to imagine that because they do not work, they were necessarily born to rule.

It must never be forgotten, that the whole wealth of society proceeds from labour, and that the stockholder grows rich by absorbing the wages and profits that rightfully belong to the industrious. Public credit, then, as well as commercial credit, is more frequently pernicious than beneficial. Let us inquire further into this subject.

The extension of paper credits has produced a competition in trade so great, that credit is universally granted to all persons without inquiring into their means, industry, or resources. The consequence of this diffusive credit is a relaxation of labour, as well as

a deterioration of morals. Debt is contracted, without consulting the ability to pay; so that extravagance, idleness, and vice, become the natural features of an age of extended *commercial credit, public funds, and chartered banks.*

The corollaries to be drawn from these positions are of the most vital consequence to the happiness of individuals, as well as the destiny of nations. To avoid the contraction of debt, is the grand secret by which the citizen attains to fortune, and the nation advances to prosperity. Public debts, paper credits, and all the variety of indirect taxation, operate upon industry to depress and check it. Insolvency in individuals, not only impairs their usefulness and destroys their energies, but leads to a general depravation of morals, and all the train of evils which inevitably attend on the total perversion of the first principles of the social compact.

An illustration of the oppressive nature of a FUNDED DEBT, will not be out of place. Suppose government borrows ten millions, at five per cent. interest. In twenty years, the interest paid will amount to the capital! Twenty years is but half a generation, so that the labourers of one age, will have paid from their earnings ten millions of dollars interest—and leave posterity, or the next age, to pay the ten millions *capital.* As the government can only expend the ten millions capital, it is apparent that the producers of wealth, are losers by at least that amount, admitting the doctrine, that the capital has returned into the stream of circulation for the common benefit of industry. Ten millions of *paper credits* in banks, will produce the same result; only greater in degree, the interest in their operations

being seven per cent., which will reduce the period of burden to about thirteen years, instead of twenty.

Owing to the credit system, we are indebted for the enlarged and pernicious relations of DEBTOR AND CREDITOR, and the consequent remnant of the system of feudal tyranny, termed imprisonment for debt; which means the surrender of the body of the debtor to the vengeance of the creditor, to be tortured according to the degrees of malignity that glow in the heart of the Shylock, who seeks his pound of flesh, reckless of the blood that may follow the stroke of the knife, and who provides no surgeon to cure the wound, or stanch the blood, unless it is so *specified in the bond*.

The "*continental money*" of the confederated states will never cease to be quoted as an awful admonition, to avoid the mischiefs of a national paper currency. Nothing, not even the wild creations of imagination could equal the pernicious depreciation of this paper currency. In a few days, a few hours, the most opulent men were suddenly reduced to beggary. Five hundred dollars in that paper money, would not suffice to purchase even a pair of shoes. The country was inundated with the rag- riches of Mr. Gallatin, and which ought forever to be called "*Gallatin money*," in order to designate the *counterfeit*, the *fraud*, and the *imposture*.* The government issued the credits, but they had neither money nor property to redeem them. The moment they saturated the market, that moment they depreciated to nothing. The illusion of public faith was dissipated by the reality of a bankrupt nation.

* Mr. Gallatin contends that a paper currency is wealth! The theory must no doubt have been invented for a very honest and laudable purpose.

The bills, therefore, ceased to circulate, and the government ceased to issue them. Then commenced the public suffering, which had before been averted by the army subsisting on the *labour of the country*, in virtue of a fiction. The consolidation of the "*continental money*," which had been paid to the *army*, afterwards went to form our "*funded debt*."

CHAPTER XXII.

Of Manufactures.

THE importance of manufactures to the wealth and comfort of a nation can well be appreciated by us, who have so intensely suffered from their want, through two long and perilous wars. A dependence of this kind was very near frustrating the achievement of our independence, in the struggle of the revolution; and as near covering us with subjugation and dismay, during the last war. On both occasions our sufferings and anguish have proved the best admonishers of our duty.

Of all sources of wealth, manufactures are the most copious and rapid. All raw material is cheap, and of inferior worth, because natural agents combine with labour in their production. But the labour of manufactures is a source of compound value, that multiplies wealth with amazing rapidity. The economy of time, too, confers incalculable superiority on manufactures, as a means of wealth to a nation. The agriculturist must wait his seasons, and his time, and for one half of the year is doomed to idleness. But the manufacturer has all times and all seasons at his command. Nothing interrupts his labour; and he multiplies industry a thousand fold, where the agriculturist augments it once. Hence it is that manufacturing countries become so superior in wealth, to nations which are purely agricultural, pastoral, or commercial.

Labour saving machinery, or compound labour, is a powerful agent in the production of these riches. Ma-

chines requiring no clothing, no food, attended with little or no expense, produce a hundred, or five hundred fold the profit of human labour. Hence nations which possess the most perfect machinery, will become the most opulent and powerful; thus demonstrating that LABOUR is the source of all national greatness, as well as individual happiness.

This subject is not less interesting than important, and opens to our inspection the eventful volume of history, to enlighten and sustain us in the protective policy adopted by the government. Every country that has become distinguished for its manufacturing industry, presents us with traces of policy and legislation, exclusively selfish, and systematically directed to the great aim of *home production*.

Let us take a brief review of the rise of English manufactures.

The exclusive system of protection adopted by the *Hanse towns*, is a matter of too general notoriety, to need a special detail or reference; but we must not overlook the fact, that while the Hanse towns monopolized the trade of the world, owing to their tariff and navigation laws, the rest of the nations of Europe, who had no commerce, and no manufactures, had no such laws and regulations! The first start given to English trade, was an opposition to the monopoly of the Hanse towns by Queen Elizabeth. We cite the whole passage from *Hume*, vol. v. p. 24, as interesting, and relevant to this argument.

“The merchants of the Hanse towns complained loudly in the beginning of Elizabeth’s reign, of the treatment which they had received in the reigns of Edward and Mary. She prudently replied, that as she would not innovate any thing, she would still protect them in

the *immunities* and *privileges*, of which she found them possessed. This answer not contenting them, their commerce was soon after suspended for a time, to the *great advantage of the English merchants*, who tried what they could *themselves effect* for promoting their commerce. They took the whole trade into their own hands, and, their returns proving successful, they divided themselves into staplers, and merchant adventurers; the former residing constantly at one place, the latter trying their fortunes in other towns and states abroad, with *cloth* and *other manufactures*. This success so enraged the Hanse towns,* that they tried all the methods which a discontented people could devise, to draw upon the English merchants the ill opinion of other nations and states. They prevailed so far as to obtain an imperial edict, by which the English were prohibited all commerce in the Empire. The queen, by way of retaliation, retained sixty of their ships, which had been seized in the river Tagus, with contraband goods of the Spaniards. These ships the queen intended to have restored, as desiring to have compromised all differences with those trading cities; but when she was informed that a general assembly was held at Lubec, in order to concert measures for distressing the English trade, she caused the ships and cargoes to be confiscated."

At that period the manufactures of England were in the lowest stage; nor was it until the persecutions against the protestants of France and the Low Countries drove their artisans and manufacturers into that country for an asylum, that their importance was ap-

*How perfectly analogous to the present anger and resentment of the *English and their agents* against us!

preciated, and their ingenuity and labour fostered by the protecting hand of government.

“In a remonstrance of the Hanse towns to the Diet of the Empire, in 1582, (says Hume,) it is affirmed that England exported annually about 200,000 pieces of cloth. This number seems to be much exaggerated.”

One of the most wise and judicious of the measures of Queen Elizabeth, was to grant a charter to these *merchant adventurers*, who proved such troublesome competitors and rivals to the merchandise of the Hanse towns. By some intrigues, however, of the wily Dutch, Elizabeth was induced to rescind this grant of trading privilege;—but the pernicious effects that attended the *opening of the trade*, soon compelled her to restore their charter; which operated in respect to *foreign manufactures* precisely as our *tariff* now does. A general tariff would have been more productive of encouragement to her artisans; but at that early period, trade had not been matured into a system, or digested upon principles of science; hence it depended entirely for its progression, upon the expedients suggested by the collisions, accidents, and wants of the day.

The progress of England, therefore, in her great manufacturing system was extremely slow. Political economy, and the *science* of government, were wholly unknown; and nations were left to grope their way in the dark, *by instinct*, to such regulations as *experience* struck out. In the reign of *James the First*, England was still in subjection to the superior trading faculties and manufacturing ingenuity of the *Hanse towns*. The following passage from Hume, will show the state of her manufactures at this time. “Almost all the more elaborate and curious arts were only cultivated abroad, particularly in Italy, Holland, and the Netherlands.

Ship building, and the founding of iron cannon, were the sole in which England excelled. They seem, indeed, to have possessed alone the secret of the latter, and great complaints were made, every parliament, against the exportation of English ordnance." "Nine tenths of her commerce consisted of *woollen goods*. Wool, however, was allowed to be exported, till the 19th of the king. Its exportation was then forbidden by proclamation. Most of the cloth was exported raw, and was dyed and dressed by the Dutch; who gained, it is pretended, £700,000 a year by this manufacture. A proclamation issued by the king against exporting cloth in that condition, had succeeded so ill during one year, by the refusal of the Dutch to buy the dressed cloth, that murmurs arose against it, and this measure was retracted by the king, and *complained of by the nation*, as if it had been the most impolitic in the world. It seems, indeed, to have been premature.

Here we begin to perceive the collision of rival nations, produced by their mutual systems of protection extended to their own manufactures. England was every day growing wiser; and as her experience gave her new knowledge, she extended her *protective system* wider and wider, until she engrossed the trade of nearly the whole world!

"In so little credit," says Hume, "was the fine English cloth *even at home*, that the king was obliged to seek expedients by which he might engage the people of fashion to wear it. The manufacture of fine linen, was totally unknown in the kingdom."—*Silk-worms* were introduced, and mulberry trees first planted in the reign of James I.

The *tonnage duty* commenced as early as the reign of Henry V.

In the reign of James the Second, the industry of England received a wonderful accession. "One Bremen, leaving the low countries," says Hume, "when they were threatened with a French conquest, brought the art of dyeing *woollen cloth*, into England, and by that improvement SAVED THE NATION GREAT SUMS OF MONEY."

The great manufactures of the Italian cities of Florence, Genoa, Venice, and others, all arose from their charters, privileges, and other regulations, that answered the purpose of a tariff.*

The importation of the principal manufactures fabricated by England, were *prohibited* from France during the reign of James the Second. The French have not been wanting in similar expedients, from the time of Sully to that of Colburg, when Henry the Fourth of France proved his sagacity by the most liberal patronage of manufactures; by cutting canals, and extending the special favour of government to every species of industry, porcelain, tapestry, silks, &c.

We could extend this exposition of the protective policy of all nations to their own manufactures and commerce to a much greater length; but the foregoing is sufficient to establish the fact, and sustain the *general principle* for which we are contending—that when

* Modern Europe, vol. ii. p. 171. Charters and patents to *trading companies* are unquestionably pernicious in an age of general commercial prosperity and occupation; but in the infancy of trade and manufactures, their utility and productiveness are incontrovertible. The prosperity of the *Hanse towns*, and the effects of the early English companies, have settled the question. In such an age they operate as a government protection, checking foreign competition, and providing a point of attraction at home for industry and skill. On this point, we refer the curious reader to a perusal of *Sully's Memoirs*, which will amuse as well as instruct.

every nation in the world is struggling by a *protective policy* to extend their manufactures over other countries, we are bound by every feeling of patriotism, and every consideration of self-interest, to adopt the *same policy*, in order to avert that dependence, impoverishment, and imbecility, which the action of *foreign industry* upon our *capital* must necessarily give birth to, unless resisted and counteracted by similar regulations and imposts. What then are we called upon to do, by those who urge the repeal of the *tariff*, and the abandonment of the protective policy—but to expose ourselves on all sides, to the diminution of our strength, and the exhaustion of internal resources, to the drain of our specie, and the idleness of our citizens: and for what purpose, but to pamper foreign artisans, under the delusive belief that the *freight and commission* on English merchandise is more conducive to our national prosperity, than a stock of home industry, abundance of gold and silver, and a happy population!

It has been alleged as one of the strongest arguments against the tariff, that since its adoption our commerce has languished, decreased, and fallen into frightful decay. Could this be shown as a *consequence* of the tariff, it might be entitled to some weight; but it is evidently one of the *collateral* effects of a universal state of peace and of production: every nation manufacturing and carrying for itself, and none engaged in the wanton destruction of the products of industry by wasteful and ruinous warfare. When all commerce is on the decline—languid, creeping, and unprofitable, we cannot expect that ours will alone be prosperous; exempt from the common laws of an era of *over production*, and entitled to a special good fortune de-

nied to all other countries. Nations, like individuals, are too prone to look on the dark side of the picture, to fancy their condition the worst of all others, and to ascribe their misfortunes to every circumstance that appears gilded with the promise of prosperity to others; it is the same with one branch of trade, when another receives a preference, and clamour instantly becomes combined against the *favourite*.

At the present day, it has ceased to be either singular or meritorious, to express decided sentiments in favour of these two fundamental sources of national independence, wealth, and prosperity, whose foundations have been too deeply laid in the physical world around us, ever to permit the fleeting passions and transitory prejudices of one section of our country, to loosen them by cabal, or rupture them by sedition. The very face of our gigantic and beautiful and fertile continent, bears on it the eternal features that declare it inseparable from canals, rail roads, manufactures, and all those arts that conduce to lift us from naked barbarity to sumptuous abundance, by the operation of the forge, the anvil, the furnace, the loom. Mountains of iron, copper, lead, and anthracite, lay scattered before us in the inexhaustible majesty of wealth: and fields teeming with every raw material of the fleece, hemp, flax, cotton, and very soon we shall be enabled to add silk—all inviting us to become our own manufacturers, in a tone which to resist, would bespeak an obtuseness of intellect, and an indolence of purpose, far inferior to the red sons of our western forests. With a felicity and a variety of climate, producing the fruits of Italy, as well as the staples of Russia, equally capable of yielding the wines and olive of France, as well as the wool of Saxony and the sugar cane of Jamaica;

it would be not less repugnant to reason, than committing violence against nature, to resist enthusiasm in the cause of the American system, especially when we superadd to these natural advantages, that great mass of moral power, ingenuity, skill and industry, which stands waiting to be employed in our workshops, and which, without employment, can only furnish food for the almshouse and penitentiary. But this, it will be said, is the natural, not the legislative argument in favour of home industry. It will be said, that on the natural basis, American manufactures can have no opponents; that it is only when a tariff is imposed upon foreign fabrics, to give an equal advantage to the American producer, that opposition is engendered to the bounty by those who do not share in its benefits. It is a sufficient answer to this sophistry, to observe, that among the community of nations there can exist no trade, or manufacture, on a natural basis. The history of the rise and progress of arts, manufactures and commerce, exhibits the protective system as the pioneer of enterprise, and the shield of industry, from the moment of its infancy to the hour of its consummation. We have no account of any country ever having become opulent from her manufacturing industry, on the mere natural basis, and without the artificial aid of a protective tariff. The competition of nations is precisely governed by the same laws as the competition of individuals, and nations will always exercise their sovereign power to enact laws in favour of their own industry, as individuals adopt rules, regulations, and customs, for the same purpose. The policy of a tariff system is a self-evident axiom of national wisdom; it springs from the inherent instinct of self-interest; and where a nation is one and undivided in

her institutions, organic laws, and commercial advantages, no question can ever possibly arise as to its expediency and benefits. But the various states of this confederacy differ in all these circumstances, and the South strenuously insists that the tariff is oppressive and unconstitutional, because the North and West derive exclusive advantages, which, it is contended, inflict corresponding injuries upon the South. Here then that unity of interests, which is appropriate to most countries, is lost, and the three great sections of the republic become so many conflicting fragments, disputing for a point, which heretofore no united nation ever controverted.

The South contends, that every impost upon manufactures of foreign produce, is a tax levied upon agriculture and commerce, and a bounty given to the American fabricator. But this position is fallacious; and is entirely exploded by the long settled doctrine, that in all cases of impost, whether direct or indirect, it is the consumer that pays the tax, and not those general branches of trade, which are excluded from its operation; and if the consumer pays, it becomes a more equally distributed and general burden, than any which the ingenuity of man could devise. Prolixity of reasoning on this subject would be a reflection upon the common sense of mankind, notwithstanding the imposing fact, that a committee of congress have assumed the contrary, as a principle from which to reason against the system of protection. The following is the reasoning of that report:

“ Before the committee proceed to expose the inevitably destructive effect of the proposed tariff upon the export trade in cotton, tobacco, and rice, they will submit a few remarks in confirmation of the idea, al-

ready suggested, that the principal burden of taxation, even under a mere revenue system of imposts, falls upon those staples, and on the shipping interest and commerce dependent on them. It has been already shown, that the manufacturing states import upwards of seven millions of merchandise, free of duty. This exemption operates as a bounty in favour of manufactures, not only at the expense of the revenue, but also at the expense of agriculture and commerce, which must be subjected to heavier charges, to supply the deficiency resulting to the revenue from that exemption. But the committee feel authorized to go still further, and to assert, that the whole of the revenue derived from imported articles, of which similar and rival articles are manufactured in this country, even under the most moderate system of impost duties, is a tax upon agriculture and commerce; and that manufactures, so far from participating in the burden, are benefited by its imposition. Conclusive practical proof of this will be found in the fact, that the manufacturers would unquestionably oppose a proposition to repeal the whole of the impost duties, even if the public lands were adequate to supply the government with all the revenue required for the public service. It is only necessary, indeed, to suggest the idea of a repeal of the impost duties, and an imposition of internal taxes equally bearing upon all interests of the country, to render strikingly evident the proposition stated by the committee.

“It cannot, indeed, be doubted that a system of revenue, which imposes no internal taxes, but is exclusively confined to impost duties, is a tax upon agriculture and commerce, and a bounty in favour of manufactures.”

The fact stated is, in our opinion, far from being conclusive; indeed it has no relevancy whatever to the principle in dispute. That our manufacturers desire protection by imposts, is one proposition in itself, wholly distinct from the principle which settles the question as to what branch of industry bears the final burden of the tax. Political economy has long ago settled the point, that the consumer pays, and none but the consumer. The impost is paid in the first instance by the importer, who adds it to the price of the commodity, and it continues to be added, through every successive hand, until it reaches the last buyer or consumer. As to commerce, it pays, strictly speaking, no impost whatever, being the mere channel of import and export; and the trite observation, so often turned into a boast, that the merchant pays the revenue to government, is not only fallacious, but absurd. All taxes, whether relative to imposts, or excise, whether levied on land, merchandise, or other articles, falls ultimately upon industry, upon productive labour, or whatever represents industry and labour. Commerce, so far as it produces gain, may in one sense be said to pay the impost, but agriculture pays more, and manufactures pay most; for the product of manufacturing industry, including of course all branches of mechanics, is vastly greater than all other species of industry together. So that in point of inequality, there can be no sort of taxation levied upon society, that does not bear harder upon that interest which the tariff protects, than any of these which urge its repeal. To protect that great mass of industry which pays the great mass of impost is surely as wise as it is politic, and as patriotic as it is just: but it is only what justice would exact and patriotism decree.

The cotton raising states of the south and west, are entitled to all credit for their industry and patriotism, and that they do produce a large mass of industry, I cheerfully allow. But what would be their condition, without home manufactures? What would be their condition, without our manufactures of iron, brass, wood, hats, boots, leather, &c. &c. to the most simple article of domestic convenience and necessity? Could they pay for the imported, and grow rich? I say, no! But what is their condition? Their cotton is sold at a price, not below that which it commanded prior to the tariff; and whether it is sold abroad, or at home, if it commands the same price, cannot concern them; unless as patriots they prefer the latter, because it is more beneficial to their country.

The committee whom we before quoted, also object to the tariff, because it cuts off the foreign demand for cotton. "The committee will now attempt to exhibit the injurious tendency of the proposed tariff, in its bearing upon the commerce and shipping sustained by our southern staples, as well as upon the agricultural labour and capital engaged in their production. And, in the first place, they are of opinion, that the prohibition of British manufactures will, inevitably, cut off very nearly to the extent of that prohibition, the foreign demand for our cotton. There is no law of trade more deeply fixed, in the very nature of commercial exchanges, than that a nation cannot purchase foreign productions, but by giving its own productions, or its own labour, directly or indirectly, in exchange for them."

The position is here gratuitously assumed, without either reason or experience to sustain it, that the tariff does prohibit British manufactures!—and this forms

the postulate from which the conclusion is drawn, that it would destroy the foreign demand for cotton. Since that report was made to congress, to prevent the passage of the tariff bill, we have had ample experience of its effects upon the English market; and it has neither operated to prohibit foreign manufactures, nor to lessen the foreign demand for cotton. Assuming then our ground, that the importation of manufactures is a just criterion of the consumption of cotton: So far the influx of foreign fabrics, since the passage of the tariff law, has augmented beyond all reasonable limits, with a commensurate diminution of prices; an effect which at the same time that it prostrates all the theoretical objections of the committee, to the protective system, seems equally to baffle the expectations of its friends, that it would prove beneficial to American industry. This unexpected result, however, which disappoints both its friends and its foes, is not to be taken as the uniform effect, that will flow from the permanent continuation of the same policy; but it is rather to be considered as the anomalous consequence of an excess of competition from two adverse points; a natural and almost necessary effect of a revolution of the channels of trade. We must expect, that after this importations will decrease, and home manufactures become more extended and more flourishing. A reaction will follow this excessive tension of the elastic cord of competition. The British manufacturer, or his agents, will cease to import in such immense quantities, and sell at such ruinous losses; they will adopt the standard of profit as the measure of quantity imported; and thus enter fairly into the market with our home manufacturers. Such will be the result of a well regulated tariff policy, when in permanent operation, and adopted as the set-

tled system of government, beyond the chance of alteration, and exalted by the sound sense and virtuous patriotism of the country, above the fluctuations of faction, and the sinister designs of reckless and ambitious demagogues.

Any community may become diseased by ideas of their own creation. The South has conjured up the phantom of oppression ; of unequal burdens, and taxation levied upon them, for the exclusive benefit and bounty of the manufactures of the north ! But where can be seen the dreadful realities of these imaginings ? Why indulge in fictitious evils ? why attempt to force the mind to the impression of wrongs endured, and injustice inflicted, when no principle of equity has been infringed ; and no practical evil has resulted from the tariff, or can or will result ? We forbear to push an investigation into the motives of such an unfair perversion of facts and principles ; but we may be permitted to hope, that it has not for its basis any prurient feeling of ambition, or lust of office ; and that misdirected patriotism, not pernicious faction, lies at the bottom of an infatuation, so strange and unaccountable.

I have said that the tariff infringes no principle of equity ; by which I mean constitutional justice : but as this has been made a strong hold by the opponents of the American system, I shall defer its examination to a future occasion, when I shall canvass the question in extenso.

CHAPTER XXIII.

Debtor and Creditor.

THIS is one of the peculiar relations, growing out of the credit system, but more especially, the practice of banking, and usury. Mere commerce would not necessarily give rise to this relation between buyer and seller. It is a necessary consequence of credit, paper money, public funds, and the other concomitants of an age, whose wealth is a fiction, and whose justice is a legalized fraud.

The order of debtor and creditor, is the last fiscal shape, which property assumes in its passage to accumulation on one hand, and beggary on the other. They represent *patricians* and *plebeians*, or, *capitalists* and *producers*, masters and slaves, Spartans and helots. Or, we may go still further, and say, that debtor and creditor is but the relation of the idle to the industrious.

It must be too striking to escape the most casual observer, that *debtors* are found universally to be those who labour, and *creditors*, those who live in idleness on their wealth. Singular, indeed, is the civilized destiny of man, that those who produce all the wealth, are for ever among the poor; and those who produce nothing, are ever affluent, luxurious, and enervated, living upon the toil of those whom they doom to penury.

Such is the consequence of a perverted state of society, the adoption of wrong principles for the dis-

tribution of labour, the monopoly of labour by charters, and the creation of capital by paper credits.

The first effect of the paper system, is to stimulate trade to the utmost height of competition. Hence, the universal diffusion of unrestricted credit, and the consequent multiplication of debtor and creditor. The temptation to purchase on credit, is known to be irresistible, without reference in either party, to the ability to make payment, the creditor being satisfied with the *coercion of law*, and the debtor content to accept of value, without the payment of an equivalent; referring to time and accident, for the chances of an escape from the legal penalty.

The relation of debtor and creditor, therefore, being purely factitious, wholly unknown to man in a state of nature, or even in the most civilized stages of existence, where paper credits are not current, we must consider it as a creature of law, whose properties are decided, not by justice, but by power.

We have seen that justice decrees labour to its producer, but that law distributes it on the principle of capital, and monopoly. By the intervention of credit, the original principle of *acquiring property* is opened to the producer, who is the poor, and the debtor; for credit, is nothing more than CAPITAL, opening her hands, and permitting industry to take from them at her pleasure. No sooner, however, has this door to acquisition been opened, than capital, whose temptation to this act of liberality, was the lure of *interest and usury*, again closes her hands, and demands the reimbursement of *capitalist and interest*. Here commences the collision between poverty and capital, in which the former is helpless, if unable to pay, and the latter, a tyrant, fortified by law, in all the terrors of despot-

ism. It is obvious, that if the principle of equity in the distribution of property prevailed, there could exist no motive for monopoly and capital to resort to the expedient of CREDIT; and industry, already possessed of all her rights, and all her comforts, could have no inducement to borrow, at so great a sacrifice as the interest produces. The relation of debtor and creditor, therefore, is produced by the rapacity of capital to accumulate, and on the side of the borrower, by the *necessities* and *temptations* of poverty, superinduced by wrong principles, in the distribution of labour. What right, then, has capital to punish by imprisonment for debt? and extort, from injured industry, for inability to comply with a contract purely of her own making? for it is capital that lends, it is capital that is master; and commands and controls the servant industry. It has no right, but what power confers, and the entire system of credit, being a fraud on labour, as the existence of capital is a fraud in its distribution, and the *interest* imposed a *tax*, levied by the idle on the labouring; there exists no moral, or equitable obligation, to observe and fulfil conditions, to which capital only is a free agent, because a supreme master. And this want of obligation to pay, on the part of the debtor, is proved by the fact of *inability*. He does not pay. He has no power to pay, he has no more volition to pay than he had to borrow, for, however he may will payment, wanting the equivalents, he never can carry his will into execution. It is absurd to maintain obligation, without free will to perform it. But capital insists that this obligation is complete and imperative; the law declares the absurdity, and on the ground of this absurdity, invests the creditor with power over the PERSON, the BODY, and consequently the LIFE of

the debtor, who in vain pleads the *will* to pay, but appeals to God to show that he has no *ability* to second his will. In this manner, the perversion of the *first principle* in the distribution of labour, gives rise to all the misery that infests the social system. The *body* of the debtor becoming the *property* of the creditor, he is doomed to the dungeon of the felon, and the law allows bread and water. His children and wife become inmates of the alms house, and when at last the vengeance of capital is satiated, for its disappointment in adding to its hoards, the wretched victim is dragged from his damp vault to the little better habitation of the poor house, or becomes, from wounded pride, and conscious degradation, one of the many slaves to intemperance, that capital ordains shall surround her palace, and present living commentaries on her mercy, beneficence, and grandeur.

But here capital and law have *usurped* a power, contrary to the natural laws of labour, as well as repugnant to the principles of the American Declaration of Independence. On this subject we shall be more diffuse in the subsequent chapter.

How far the relation of debtor and creditor can be perfected, by law imposing an obligation which cannot be fulfilled, or how far that relation is impaired and weakened by the same cause, are questions not less interesting than important. That laws, which give the body of the debtor to the creditor, tend more to annul the obligation of debt, than to enforce it, seems evident, from the history of this portion of our politico-economical system. Law cannot create impossibilities, it cannot make all men honest, nor render all men solvent; and until it can accomplish this, it but relaxes or destroys the bonds of honour that bind

men to a discharge of their duties and debts, by instituting a *penalty*, that is never voluntarily incurred, but when incurred, is deemed a full equivalent to the creditor.

The great extension of credit, then, being the cause of the belligerent attitude of debtor and creditor, and fraught with mischief and misery so incalculable and endless, its restriction would obviously seem to be demanded by policy and justice, interest and humanity. This restriction would best be accomplished by placing the rights of debtor and creditor upon a basis as proximate to equality, as may be practicable, under a system radically perverted. A simple abolishment of the power of the creditor over the body of the debtor, appears calculated to produce a wholesome restriction in the credit system, leaving it to *honour* to fulfil the contract of debt where the ability resides; and where the ability, but not the will exists, the criminal intention would justly call for the infliction of a felonious penalty: for *fraud* can no more be justified in the debtor, than force or fraud can be sustained in the creditor. On this principle, it will not, consequently, be inferred, that I would divest the creditor of his legal right to coerce payment, by an execution upon property; such a right is essential to counteract the power of wrong in the debtor.

CHAPTER XXIV.

Imprisonment for Debt.

I SHALL consider this question purely on abstract principles, purposely to test the demonstrated injustice of the prevailing system. All indulgence in feeling, sympathy, and imagination, I shall studiously avoid. On such a subject, the pathos of fancy, and the embellishments of rhetoric, are equally out of place. The calamities embraced, and the feelings excited, by such a theme, are too intense, comprehensive, and profound, to be made the sport of imagination, even for the laudable purposes of apposite illustration, or vivacity of impression. It appeared sufficient to view the question as it appeared to the eye of the philosopher, the economist, the statesman, and the philanthropist; but even on these points, I shall omit much that deserves examination. One inquiry, in particular, my limits force me to abandon—an inquiry pregnant with the most useful suggestions and benevolent expedients:—"How far imprisonment for debt augments pauperism, propagates ebriety, and becomes the efficient cause of most of the crime which blackens the existing features of civilized society." These questions I may perhaps examine in the second part of this treatise, at a future day.

Few subjects of great national importance, or deeply affecting the best rights of humanity, have received so little attention, in proportion to their magnitude, as

that of *imprisonment for debt*. I do not mean in reference to the mere historical character of that odious custom, but in regard to its intrinsic barbarism, and repugnance to that light of reason, vital religion, and philosophical justice, which is partly the characteristic, and so entirely the profession, of the present age.

The motives of nations to adopt this mode of coercion for the payment of debt, it is not worth while to inquire into: the only points worthy of consideration, are, *First*, Is it reasonable? *Second*, Is it just? *Third*, Is it consistent with the end of society, happiness? *Fourth*, Is it compatible with the exercise of equal rights, and the possession of civil liberty?

First, Is it reasonable? This question is answered almost self-evidently in the negative. The debtor's crime is inability to pay his debts; and he is flung into prison, whereby this inability is not merely increased, but completed; he is thus forever rendered incapable of payment, besides being doomed to disease, starvation, death—to heart-breaking woe, under a consciousness of unmerited punishment for a misfortune instead of a crime. It is, therefore, the very extreme of absurdity, to imprison for debt. It effectually defeats the sole object of the creditor, payment; or it creates a new object, which it gratifies; an object of the most demoniac kind, which satiates the most diabolical of all human passions, revenge. Grounded originally on the presumption of fraud, and the concealment of property by the debtor, it invests the creditor with the power to torture his victim, whether innocent or guilty, and reduces to a common level, the most unfortunate honesty, and the most adroit, callous, and consummate knavery. The man who conceals his property, does it with a fore-knowledge of his punishment, and deter-

mination to endure it : to him, therefore, imprisonment is no punishment; no corrective ; but if he escapes, he deems the possibility of it a sufficient penalty, and discharges his conscience from all future moral responsibility. And in this there seems much reason ; for if the creditor prefers imprisonment to payment, he adopts it in his own mind as an equivalent ; and surely such a penalty to the debtor is more than payment ten times told.

In every light, therefore, it is unreasonable to the utmost length of absurdity. Under this head we may also class its inhumanity. The character of Shylock, the Jew of Venice, as drawn by Shakspeare, is generally considered as an impossible romance of cruelty, carried beyond all the limits of human ferocity, and superhuman vengeance, because he demanded of his debtor "a pound of flesh nearest the heart," as the penalty of his unpaid bond. This in a Jew of that age is thought to be impossible. Yet, we in a Christian country—we, who are Christians—who affect humanity, tenderness, and all the mild and social virtues to the last degree—we not only take a pound of flesh, but we take heart, body, all the flesh and all the man ! And even this we think an insufficient penalty for our bond. After we have all the flesh, and have bruised and broken the heart, not only of the debtor, but of his "wife and little ones," and all—we still demand "the three thousand ducats"—we still persecute, and hunt him down for payment. He must remain idle for life—a burden to the community—a spectacle of commiseration to mankind ! Mercenary, indeed, to the last degree, must be that age, and that country, which can tolerate so monstrous and revolting a practice !

Is it just ? This question involves the principle of

personal liberty, the right to which is unalienable, which cannot be sold, or purchased, and hence imprisonment for debt must be unjust. A man cannot form a compact to dispose of his liberty, for no one has a right to buy or to hold it. To make the body of a man equivalent to money, violates the first principle of natural right to personal liberty. It is likewise unjust in another point; one creditor may imprison a debtor, and by this means deprive all the rest of the chance of ever obtaining payment. But it is intrinsically unjust towards the debtor, whose time and liberty may be worth a hundred fold the amount of the claim for which he suffers. This has been the case of thousands, under the afflicting disaster of insolvency, without having the equitable relief of a sound bankrupt law, to shield them from cruelty and oppression.

Is it consistent with the end of society, happiness? To consider this question, after what has been said, may be deemed almost superfluous: yet deeper reflection will show that it requires to be considered. Nothing hardens the heart like the love of money, and it is too apt to be adopted as sound doctrine, that the unfortunate and poor have no right to happiness, and that he who cannot pay his debts, is equally out of the pale of law, justice, humanity, and reason. The bloated pride of the rich is not happiness—the ostentatious vanity of the great and the dignified—what is it—but the care of trifles, that refines misery out of shadows! When the enjoyments of one man are purchased at the price of wretchedness to thousands, the object of the government is destroyed, and its principal ends reversed. True, the security of property, and the prevalence of justice, are indispensable to the happiness of society; but where the unfortunate debtor has no pro-

erty to pay, no justice is violated; and to persecute, oppress, and harass him by imprisonment, is to commit the worst injustice, and overthrow the very ends for which society was instituted.

Is it compatible with the exercise of equal rights, and the possession of civil liberty ?

It seems scarcely possible to answer this question without being guilty of repetition; so much of our preceding arguments being applicable to this point. It may certainly be questioned whether, under a government whose basis is equality of rights, imprisonment for debt can be justly ordained. If personal servitude can be rightfully imposed on ourselves, in consideration of money, the principle of equitable slavery would at once be established; but as this cannot be, it follows as a corollary, that the penalty now exacted of the debtor, is as repugnant to the constitution as it is to the spirit of the age, which rests every question upon reason, justice, humanity, and truth. I now speak solely of the matter of debt. Fraud is another question, and, as an indubitable crime, is liable to merited and reasonable punishment.

The end of all civilized institutions is happiness. Property is secured and guarded by just laws, because money, or wealth, is an essential means to human comfort, without which, happiness cannot exist; but to make property the end of government, is to prostitute laws to the lust of insatiable avarice. It can always be seen when refinement borders upon barbarism, by its confounding means with ends, and losing all sight of happiness, by directing its aims exclusively after gold, ambition, distinction, pride and pomp. Rapacity and avarice are the great obstacles to human enjoyments. Instigated by these, legislatures extend laws to protect

property so far, that they assume an opposite character, and instead of being the barriers of personal rights, become the perpetrators of personal wrongs. Such is that cupidity, which pursues property, until it invades personal rights, destroys human happiness, and too often extends to the heart of the wretched victim.

If the principles that regulate the distribution of wealth were more equitable, and more in accordance with the principles of its production, there would exist less necessity for adopting laws for the compulsory payment of debts. Poverty is never voluntary. The unequal laws that compel penury should be repealed, and the inability of payment in this manner removed, instead of enacting penal laws to punish an inevitable consequence of unjust ones.

The total abolishment of imprisonment for debt by the United States, is an evidence yet to be given, that the spirit of our laws and institutions keeps pace with the boasted improvements of the age, in what has been fantastically denominated "the march of mind." A march, however, is very different from a conquest—and even a conquest would fall far short of the establishment and settled perfection of reason. Before we can justly boast of either, we must expunge from our statute book the barbarous custom of feudal tyranny, which substitutes vengeance for justice, and decrees the absurdity that the torture shall extract gold from poverty and misfortune.

A government such as ours, based on the principles of reason and justice, should be consistent throughout. The practice of holding insolvent merchants to full and eternal liability, is one of those absurdities that often defeats the object it aims to accomplish—payment—by condemning its victim, even when not imprisoned,

to perpetual idleness and inactivity. Such a custom, the twin brother of that just denounced, would itself refute the pretensions of the age to perfected reason, and throw ridicule on the vain boast of our intellectual acclimation. The obvious cause of this deplorable discrepancy, is to be found, as already intimated, in the adoption of a theory founded on reason, and the practice of customs originating in despotism, that have devolved to us from the dark ages of feudal violence and vandal barbarity.

To the present era of enlightened statesmanship, and liberalized philanthropy, the people look with a just confidence for the total abolishment of imprisonment for debt, as wholly inconsistent with the first principles of the rights of man, and incompatible with the enjoyment of social happiness.

Upon the people themselves rests an awful responsibility for the effectuation of the same beneficent and equitable purpose. Among the most productive resources of the nation, is the activity, industry, talents and enterprise of her citizens; and when any portion of these are palsied by unjust laws, the country languishes in proportion, and the grand object of our civil compact has been measurably defeated.

CHAPTER XXV.

Of Education.

NORME is so essentially connected with the wealth of nations, and the happiness of the people, as the proper cultivation, expansion, and discipline of the popular mind. Upon this depends not only the amount of public virtue and happiness—but the aggregate of industry, ingenuity, temperance, economy, and vigour.

When we look back to the small states of **GREECE**, so diminutive in extent, so trivial in *physical* resources, yet so colossal in all the moral grandeur of nations; so happy in peace, so blessed with abundance, so invincible in war, so inimitable in letters, so exquisite in taste, so unparalleled in the arts, so splendid in all things—we are compelled to refer all her transcendent excellences to her mind—her *education*, her literature, her science, and her philosophy. The example of **ROME**, not more extended in physical limits, and not less renowned in imperishable glory—extorts the judgment to the same acknowledgment of the supremacy of intellect over matter; and the all-powerful influence of public intelligence, in forming the national character, deciding its destiny, and moulding its people. In fine, the history of the world is but a repetition of the same truth illustrated by the same renown, tracking the career of intellect in the path of glory, and showing, that kingdoms, the most insignificant in magnitude, have, by the force of knowledge, eclipsed all their gigantic-rivals in wealth, resources, and fame. We

might contrast England with Russia—France with China—and Greece and Rome with all!

When history glares her blaze of truth in our eyes, let us not close them to its lessons. When the intellect of Rome was quenched by a barbarian deluge, what was the condition of the world?—To what era of all those blackened by crime, and debased by ignorance, do we look back, with the greatest horror? To the DARK AGES, to the midnight of mind that overspread the world, and permitted depravity to wage an unrestricted warfare upon virtue, knowledge, science, industry, and happiness. Sufficiently admonitory, then, is the lesson of the past, to urge us to the improvement of the present, and the perfection of the future. Cast upon the stage of existence in a *new era*, let us not disgrace our destiny by failing to make our advancement conform to our opportunities.

The spirit of the age, which now points to the universal education of the people, is an unavoidable effect of that law of our nature, which ordains that means must be adapted to ends, and that causes must conform to their consequences;—that as time rolls on, and reflection lights the torch of intellect, prejudice, bigotry, and superstition, must give place to reason, and humanity maintain her rights in defiance of prejudice or interest, riches or ambition. When, as a people, we inscribed the holy precepts of justice and of truth on our declaration of independence—proclaiming that all men were created free and equal—with the same rights to the pursuit and enjoyment of happiness; we commenced the foundation, because we created the necessity of universal education, by adopting a form of government, whose existence and purity depended on the exercise of reason, and the preservation of public

virtue. Where every man is an *elector*, and bound to judge and to choose those who may make laws, and administer the government;—every one ought to receive an education, commensurate to his duties, as such; and where individual opulence does not furnish the means, the public are bound to impart the blessing in the fullest measure, and to the widest extent, at the common cost of society: not, however, as a *bounty*, or a *charity*, but as a *right*; that as *all* contribute their share of labour to the expense and support of government, so *all* are equally entitled to the great benefits of popular instruction. In the same manner, that the *constitution* protects our liberties, and that the law secures our rights of person and of property, without becoming a charity to the poor; so ought *education* to be dispensed to all who desire to receive its vivifying beams, and investigating spirit. Indeed, to conceive of a *popular government* devoid of a system of *popular education*, is as difficult as to conceive of a civilized society destitute of a *system of industry*. This truth has been generally received in this country, and never, I believe, directly denied; although its force has been attempted to be evaded by the *rich* and *opposed by the aristocracy*, who have heretofore, unfortunately, been our sole *law makers*, through the odious system of *charity schools*—the bare idea of which impresses a consciousness of degradation, and leads to results the very reverse of those that ought to be produced by popular instruction. I will not, however, enlarge upon this subject, which must be familiar to all; yet all may not have remarked, that the scanty pittance of education termed *charitable*, has never realized the *equal benefits of instruction*, to which the working people have been entitled as the producers of all the wealth of society.

When it is solemnly inscribed upon our constitution, that education is an essential preliminary of government, its diffusive dispensation becomes a duty and a right of the first importance and magnitude: we are bound to consider it, not as an *accidental* but as an *integral* part of government, which, when we neglect or overlook, we violate the most sacred obligations, which, as good citizens, we have sworn to discharge.

A proper understanding as to the basis of American education, is essential to just legislative enactments to provide for its diffusion. The errors and misconceptions that have heretofore been formidable obstructions in the path of popular education, have had their origin in that fertile spring of most of our misfortunes, the FEUDAL HEREDITARY SYSTEM of the English government; which is based on principles radically opposite, and eternally repugnant to ours; but from which, unfortunately, we have drawn all our models for action, while we have resorted to truth and justice for principles in the *abstract*. Hence that collision between our form of government, whose soul is intelligence and knowledge, and our practice, and our institutions, which are subversive of both. In Europe, education being a *grace and bounty*, coming from an hereditary king and nobility, to their *feudal* vassals, or *inferior* subjects, may well be called a *charity*, and can hardly be termed a blessing; for it must lead them to the sight of truths, which revolt from all their systems of injustice and oppression; which reveals to their astonished eyes all the charms of liberty and equality, and yet denies them their enjoyment and protection. A new system of education must, therefore, in this country, be adopted, conformable to our constitution, and conducive to the happiness of the people. I mean *new*, not in relation

to the *method of teaching*, although this is every way susceptible of improvement;—but in respect to the condition of its gift, and the universality of its influence and operation, by which I mean knowledge imparted to the people as a matter of right and duty, and received by all, whether they choose to refuse or to accept it, under the obligation of good citizenship.

Intimately connected as general education is with human happiness and virtue, the philanthropist, the statesman, and the patriot, perceive in its adoption, an increase of the moral energies of the nation, as well as an augmented power in the lever of government. I hold it to be an indisputable maxim, that knowledge not only prevents crime, but increases industry—that it adds to the excellence of the human character in all its bearings—that it snatches men from low and grovelling vices, and gives them a fresh impulse to the acquisition of perfection of every kind. How seldom do we behold a *tavern* frequented by men of good education, and cultivated intellect? How seldom do we find men of educated minds, slaves to the beastly vice of intemperance?—Give education to the people, and you give them the spur to every virtue; the rein to every vice. Look into the cells of your prisons! By whom are they tenanted? By the *ignorant*, or the recipients of *charity schools*, who, perhaps, had better have been left among the unsophisticated mass of intellectual darkness.

It is cheering to the heart of the philanthropist, at all times, to perceive the cause of human happiness in its diffusive sense, as affecting the great mass of mankind, engaging public attention; but more especially so at an era, when the lust of gain appears to be the grand absorbing passion of our race: I say the CAUSE

OF HUMAN HAPPINESS, for such do I consider the cause of popular education, which shall bring into *action* that immensity of intellect which now lies dormant; and which, in respect to its influence on happiness, is precisely as if it did not exist.

It does not, however, appear so unquestionable, whether the entire mass of mind can by culture be brought *actively to the aid of governments*, and of nations. If, however, it be only maintained that education can be brought to produce that effect by the diminution of crime, and the augmentation of industry, I concur in the position; but some appear to give a different construction to the effects of a system of popular education, which reaches beyond the limits of "*mere reading and writing*," and that they look to the participation of *nearly the whole race* in the moral government of nations, as a natural consequence of giving the multitude of men the command of their minds in ethics, science, and politics. There appears to me to be two ways only, in which this effect can be produced,—1st, by the adoption of the *representative system* of government, as a *preliminary* step; or, 2d, by superinducing it *through the influence* of popular education. Representative government may exist *nominally*, but not effectually, without the diffusion of the higher kind of popular instruction. To be complete, representation must exhibit a *moral fitness* between the representative and his station, and his constituents. A people incompetent from ignorance or vice, of choosing a *proper* representative, never can enjoy that kind of government, except in *form and name*. There must exist in a majority of the people an ability to discriminate character, and a disposition to appreciate talents, or the substance of representa-

tion is lost in the *form*. Electors ought, on all occasions, to be competent to a just conception of the fitness or unfitness of representatives. By this method only do I conceive it possible to bring the mass of the people to the efficient aid of government and nations, as far as *moral power* is concerned. Looking beyond the limits of mere *reading and writing*, the cause of diffusive education assumes a magnitude so great, and becomes enveloped in difficulties so embarrassing, as to claim the most intense investigation. How is it to be accomplished? Is it not indispensable, as a preliminary measure, to remove from the face of society that redundance of *taverns and liquor stores*, that poison and debauch eighty per cent of the mass of the people? For, on what principle can we expect education to take root in society, when a majority of that society are in the hourly habit of destroying the power of thought, and inhaling the steam of excitement? These are serious questions; but they receive, I am disposed to think, a conclusive answer in the adoption of a *general system of popular education*, reaching beyond the mere attainment of reading and writing. Knowledge is the grand remedy of intemperance; for in proportion as we elevate men in the scale of existence, and give them reason to esteem and respect themselves, so do we reclaim them from all temptations of degrading vice, and ruinous crimes. A reading and intellectual people were never known to be sottish;—but those who are ignorant, or stupid, are forever wallowing in drunkenness and debauchery. Thus sobriety and political honesty, are the twin offspring of education. Make the people enlightened, and liberty will prove her own sentinel, virtue her own protector, truth her own champion!—Under our pre-

sent system, the evil from which we most suffer is the *ignorance of teachers*; an evil that has been very generally felt and acknowledged; and which, in Europe, has given rise to the preliminary measure of a *school for teachers*. In most of our seminaries, this deficiency is palpably obvious, and forms a subject of general complaint. When every other business fails, people open schools, as if NO EDUCATION in themselves was sufficient to qualify them to teach others. The same remark will apply to most of our legislators. We are shrewd and cunning, and rest satisfied with the consciousness of being smart; but without knowledge, cunning can only produce knavery and deception. The richest soil must be cultivated, if we hope to make it produce aught but weeds.

It has been maintained by some, that *females* ought to be embraced in a comprehensive and judicious system of popular instruction; and that *common schools*, in which our daughters could be fully prepared to discharge their various duties in life, ought to be provided for all, at the public cost. As this idea is one of great delicacy and importance, it deserves to be considered with a single eye to the serious consequences that it appears to involve.

Nature has left nothing dubious or equivocal in the laws and properties that regulate the grandeur of her beautiful and sublime system; and reason and instinct alternately direct us in the true and appropriate path that conducts us to perfection of *principle* and imperfection of practice. Among the unerring indications of her wisdom, which made this complicated world to move in harmony, is that decisive instinct, that all-controlling and overpowering bias of nature, that impels *woman* to retire into the privacy of domestic life; to

cherish the tender sympathies of the heart ; to cultivate those arts that minister to the comfort of man, and which are positively necessary and indispensable to the pleasure, happiness and preservation of *her offspring*. And it is in this that we perceive the all-powerful *law of nature* that destines her to be the *passive*, not the active member of society ; that causes her to seek *privacy*, not obtrude herself among the rulers of the world. As the MOTHER of the human race, quiet, seclusion, and domestic tranquillity, together with much suffering, is her lot. Without the protecting shadow of quietude, and the soft arts of gentle love and persuasive peace, the end of her being, as *the mother of our kind*, would be utterly frustrated. Without these endearing qualities in the breast of woman, the word *home*, now so filled with magic sounds and replete with sweet associations of bliss, quiet and repose, would be empty, hollow, and unmeaning ;—nay, without the *passive* character of woman, stamped so by the great God of nature, and confirmed as such by reason and by instinct, the harmonious structure of the world would be disrupted and overturned—and sad, sad indeed, would be the wretched condition of man.

Knowledge, always ready to improve mankind, genius, ever keen and active to suggest new discoveries, and curiosity, restless and unsatisfied with old possessions, are ever devising plans to lead man to perfection ; plans in which *imagination* often has more agency than reason, and fiction a greater share than philosophy. An age of intelligence is, therefore an age of peril. *Invention* is like Mercury, too swiftly winged to wait for cold *discretion* ; and zeal, when beckoned by virtue, obeys no signal of restraint. But a *just philosophy*,

whose precepts are sanctioned by nature, may mitigate error, and arrest enthusiasm in her march to mischief. So let it be with the new fangled project of the celebrated reformers of the day, to *reduce the mother of our race* to a destructive equality with man. Let nature and a just philosophy step in to dispel the fatal delusion, and save us from the evils of a ruinous abatement, in which the *loss is certain*, and the gain impossible! No—let us have no *common schools for woman!* Their duties are not public—their functions are not appropriate to the state—nature claims all their energies as the mother and the nurse of our kind—as the ornament and the *primum mobile* of the domestic circle. Their allegiance is not to the state but to their families:—their husbands—parents—children. We want no race of fabled *Amazons*, to drive man from the field of battle to the distaff; and supplant him at the forum by the intoxicated and intoxicating oratory of a *Corinna!*—God has drawn the line between the duties and functions of the two sexes. What! to behold a female warrior with a child at her nipple! or a female orator *mending her gown* in the interval of mental estuation!

There is but one circumstance that could justify the legislature in providing common schools for our females—and that never can exist—that females discharged *all* the duties of active citizens of the state. Why should they be qualified for tasks they are never to discharge? I anticipate the reply to this question. They are to be educated, and accomplished for *ladies*, at the public cost—not for *Amazons!* This answer settles the question—the legislature possess no *constitutional* power to educate *ladies*—their business is confined to the *citizens of the commonwealth*—to those

who bear arms, pay taxes, serve as jurors, &c. Thus, we are very happily saved from a deluge of argument, by a sound barrier of our *organic law*, which justly forbids public education to the *ladies* of the commonwealth! However gothic and barbarous this prohibition may seem to some of the enthusiastic champions of the *march of mind*, the judicious must approve its wisdom, and the reflecting applaud its adherence to the philosophical fitness of things.

Zeal is always prone to overstep the boundaries of reason. Having discovered our error in this matter of popular education for females, let us retrace our steps; and thus establish our claim to the character of *rational reformers*, not wild enthusiasts, and bewitched zealots. Let the daughters of the land, then, remain under the sacred care of our household gods; to be privately educated according to the sphere they are destined to move in, and the circumstances that surround them—never forgetting that *usefulness* is the next quality to *virtue*—that to be modest, to be chaste, to be amiable, and to be industrious, are the chief ennobling traits in the beautiful character of *woman*.

This position does not imply a *denial* of education to the female, but simply declares, that her instruction shall conform to her destination by nature. To prove beneficial, every application of intellectual culture, must be regulated by the circumstances of the object. It would be the height of absurdity, to instruct our naval and military officers in *embroidery*, but it would be equally absurd, to initiate our females in *oratory, law, government, and military tactics*.

Prone to run into opposite extremes, no sooner do we consent to rescue the female from her degradation of complete ignorance, than we become infatuated

with the thought of qualifying her for all the masculine duties of life. This visionary scheme is fraught with mischief; it unsettles the economy of life, it jars the harmony of nature, and tends to diminish the happiness of mankind, as well as prostrate the barriers of chastity and virtue.

In relation to the productive faculties of a nation, popular education assumes an importance, not suspected even by its best friends. By implanting the principles of science in the mass of intellect, *invention* is provided with materials for the production of improvements, that may change the whole face of society into one radiant smile of content and enjoyment. The invention of *machinery* is the fruit of an educated age, and the more we diffuse that education, the more we advance the arts and sciences, manufactures and agriculture, to perfection. Not one seed of knowledge dropped into the common mind is lost. On some occasion it will germinate to a profit, and recompense society ten fold for the gift; nor do I mean a merely intellectual reward, but a substantial one of labour, of an increase of the means of sustaining and enjoying life, at the least expenditure of time and toil.

Ignorance and inferiority of mind are the only causes of human degradation; except that of poverty, which is the general concomitant of ignorance—as ignorance is its invariable cause. In the progress of nations, civilized people are generally found to vanquish barbarians, either by the force of superior skill, or the charms of science, literature, and knowledge. Nations, like individuals, hold one another in contempt, or look up with respect and admiration, as they rise or fall in the scale of intelligence and wisdom, refinement and civilization. It is only, however, when we come to

scrutinize more closely the elements of a single nation, that we can obtain an accurate and full perception of the debasing effects of ignorance. This becomes obvious, the moment we penetrate into the manners, and non-intercourse of different classes of society, which we may distinguish into the ignorant, or the enlightened. Between these two classes, one of whom labours, and the other remains in idleness, there exists so great a separation in all the social duties and associations, as almost to constitute them different species. The enlightened and educated look down upon the ignorant as a debased order of beings, and treat them, as matter of course, with contempt; and the ignorant on their part, look up to the refined with a sensation approaching to hatred. It is found, that where vigorous intellect bursts the bonds of its ignorance, in this contemned class, that it is immediately merged into the higher and cultivated class; and, notwithstanding the stigma of labour, comes at length to excite respect. Thus the proof is afforded that it is the *ignorance*, not the *occupation* of the working people, that degrades them on the one hand, and empoverishes them on the other. Owing to this ignorance and degradation, it is, that the educated and enlightened, taking advantage of their contemned condition, have oppressed and bound them in the fetters of servile subjection. It is not ignorance that can make laws, organize governments, or administer justice. Education, therefore, is the key to government—it opens the path of power. In vain will you boast of equal rights, and a form of government that secures power to the most humble, when qualified for the task; the blessing will only be nominal whilst the *mass of people* remain ignorant, and in-

capable of performing those functions that belong to the great civil machine of society. The educated will still occupy the high posts of honour, and devise the system of law and justice; and law and justice thus devised will forever partake of the sentiments peculiar to wisdom and refinement. Hence the maxim that "those who think must govern those who toil;" a maxim, however, that is predicated on the *ignorance* of those who toil, as a necessary property of their condition. But educate those who toil—teach them *to think*; and they take the place of those who govern. This has been strenuously opposed by the great body of the enlightened, because they were fearful of losing their *exclusive privileges*, by imparting knowledge to the mass of the people.

A system of *general education*, one would hardly imagine, could meet with an opponent in an age so enlightened and so philanthropic—an age so distinguished for the *march of mind*, the diffusion of knowledge, and a severe scrutiny into all the principles that combine in the structure of society. And yet, wonderful to say, *public education for the people* has met with gothic adversaries, and illiberal, narrow-minded traducers. The extension of the lights of knowledge, *by popular education*, to all the people of the republic, has ever been the avowed object of all of our most illustrious statesmen. It teems from the lips of the venerated Washington—it glows in the pen of the immortal Jefferson—it formed the daily toil and the midnight study of the lamented and great Clinton. The text of the friends of liberty was—*to enlighten the people is to promote and cement the public virtue!* The soundness of this text was never questioned *anterior* to

the organization of a party, whose object it was to obtain it from the legislature, *as a right*, unjustly withheld. When public instruction was bestowed as the *boon of charity*, it found numerous advocates, and met with no opponents; but now, when we justly demand it as a *right*—and under our constitution it must be a *right* and not a charity—it is not only refused by some, but to our utter amazement, its consequences are painted as baneful to the people, and deprecated as having a fatal tendency upon the good order of government! We seem to have resuscitated from the tomb of time the very spirit of the *feudal ages*, in the breasts of certain bigots, intolerants, aristocrats, and narrow-minded *monopolists of knowledge*, who seem as averse to giving the people LIGHT, as they are to paying them for their labour in *hard money*. Actuated by this spirit of an era long past, it is pretended to have been suddenly discovered that *ignorance* is necessary to obedience, and that *public education* is incompatible with public virtue and public order! Sophistry like this is too flimsy to call for confutation; but it reveals a fact that may be useful to us: that although we live under a free constitution, much of the leaven of despotism still remains among us, and that our *theoretical freedom* demands eternal vigilance to preserve it in practice. It is said, that a tax to support common schools would be an *Agrarian Law*, an unjust taking away from the wealth of the rich, for the benefit of the common people. On this principle ALL laws are Agrarian laws; for the rich pay more than the poor individually, though not collectively, for the support of government.

Objections to popular education, however, at the present day, come too late to command attention, or

require arguments to show their fallacy. The age has happily outrun those who would keep it stationary in ignorance, or arrest its progress towards general knowledge. The cloud of absolute power in governments has passed away from the firmament of the mind; and left it clear and unspecked by one of the fetters of passive submission, non-resistance, and blind credulity. In time long past, the sovereign power was in the king—now it is in the people; positions being thus reversed, it is incumbent on the people to conform their knowledge to their power.

The influence of education on the manners, is not less important than its operation on the mind; between which there exists so close an intimacy—so powerful a sympathy. Civility, politeness, deference, and all the amiable and softer virtues, are generally found to be residents of minds refined and educated; while ignorance assumes manners of corresponding rudeness, and imperious insolence. As it is the tendency of knowledge to inspire diffidence, the more the mind imbibes, the less it presumes to trespass upon the feelings, or challenge the opinions of others. Besides that, in educated people there exists a natural assimilation, the general result of which is good breeding; hence one of the most salutary consequences of popular instruction—that those who labour, and have heretofore been rude and insolent, will gradually become polite and civil; and thus remove one of the most serious difficulties that prevents the working people emerging from that debasing condition in which they are now held by the customs of intellect and power. It is to *education*, therefore, that we must mainly look for a redress of that perverted system of society, which

dooms the producer to ignorance, to toil, and to penury,* to moral degradation, physical want; and social barbarism.

The power of the ballot boxes will do little, without the auxiliary help of our moral and intellectual energies. How can it be a marvel, that wealth practises oppression, when it holds as its allies, all the riches of knowledge, and the exterior semblances of virtue and truth? Moving in the high orbit of science, government and laws; ordaining justice and morality after their own images, how shall we ever counteract the principles of vassalage that now prevail, unless we procure EDUCATION for our offspring, and diffuse SCIENCE among our brethren? It is through this door that we must at last enter into the temple of justice, to consecrate on the altar of reason the true rights of man. Knowledge is *power*, in respect to the procurement of equity to the great mass of the sons of labour. It is the light of intelligence that abashes despotism—it is the fire of intellect that dissolves and melts the chains that enthrall seven eighths of mankind to the caprice and luxury of the other few. “*In what way shall this evil*

* A great writer observes—“According to ancient practice, *all checks were on the inferior*, to restrain him to the duty of submission; none on the superior, to engage him to the reciprocal duties of gentleness and humanity. In modern times, a bad servant finds not easily a good master, nor a bad master a good servant; and the checks are mutual, *suitably to the inviolable and eternal laws of reason and equity.*” The principle admitted in the last sentence, is the pith of this quotation; and this principle it is, that we desire to extend, by the diffusion of education. The ancient practice is still too prevalent; notwithstanding theories of freedom which denounce and supersede it. The checks *vught* to be mutual, but they are not; and where *rights are equal*, the failure becomes an oppression. It is EDUCATION only that can bring this theory of *reciprocal checks* into practice.

be attacked and removed?" I have answered, by giving our children equal or superior knowledge, virtue and intelligence, to the rich—by EDUCATION to direct and qualify us for government and laws; and by concentrating our SUFFRAGE to enable us to reach that point of influence, at which we shall be able to make the laws conform to the spirit of justice, and the government congenial to the equality of human rights.

CHAPTER XXVI.

Consumption of Labour—Economy.

WHEN it is considered how small a portion of the product of labour is consumed by the working man, the injustice of the legal principle which operates in the distribution of wealth will appear more striking, and its oppressive influence incontestible.

In the *production* of industry, the working man is exclusively active. During his task, he subsists on the smallest portion consistent with existence. No sooner does the mass of labour, however, accumulate, than the *order of idle stockholders* step in to consume it. The magic wand of capital is waved, and the sons of industry are left naked and empoverished, by the sudden departure of their own products, whilst the labourer returns to his task, like the industrious bee that creates the honey for the drone.

The end of all production is consumption; but this ought to be regulated on principles of justice, prudence, the public health, the public virtue, and the public vigour. There are evil modes of consuming labour, as well as distributing it, which are fraught with as much mischief to society, as monopoly and extortion.

The working man has a right to consume, for he produces wealth, and in him it is a productive consumption; and if he only consumes what is conducive to vigour and health, he is a double benefactor to society, for he thus leaves a portion of labour unimpaired, undestroyed, which may go to the subsistence of

others. The working men of all classes, are the productive consumers of wealth.

As no country can grow rich, vigorous, powerful, and happy, that does not consume less than it produces—the judicious consumption of labour becomes an essential item in the wealth of nations. Hence the pernicious effects of the *idle* classes of society, who consume, and never produce; hence the virtue of industry, and hence, by parity of reason, the evil tendency of luxury, waste, sensuality, and refinement.

It is on this principle, that countries whose cities contain a vast population, are generally found to be very oppressive on a large portion of their citizens, if not fraught with famine and misery. The wasteful consumption of large cities, among the unproductive classes, being more than a balance to the economy of consumption in the producers.

Luxury is said, and to a certain extent truly, to increase the circulation of wealth, and to stimulate industry, but to counterbalance this accidental advantage, it begets a wasteful consumption which never fails to furnish one part of society, in order to satiate the other. The unavoidable tendency of luxury, is, to multiply non-producers, and enhance unproductive consumption.

Consumption is the destruction of values; the less we consume, the more values we possess, and vice versa.

Armies, and all large public bodies of men, commit wasteful consumption, and producing nothing in return, afflict a country with privation and want.

But a large body of idle stockholders, gentry, and noblemen, are equally as devastating as immense armies; in the end more so, because they refine in

their enjoyments, like true voluptuaries, and thus consume twice the quantity, and waste quite as much.

An idle landed nobility, are a great curse to a country, being a non-producing class of consumers; and as they are generally disposed to travel, they are prone to quit their own country, and expend its labour among foreigners. This system has contributed largely to keep *Ireland* in a state of beggary and want. In the same manner, it afflicts the agricultural districts; the loads of the soil flocking to the capital for pleasure, there to waste the rents wrung from the labour of their tenants. It was in this spirit of philosophy, that Mr. Jefferson declared great cities to be great sores, as they tend to enfeeble and disease the most vigorous commonwealth.

It is true that consumption of labour is the great end and object of production; but a just proportion between them is as necessary to national wealth, as individual comfort.

It is on this principle that the balance of trade arises. A country that consumes more of foreign industry, than it produces of its own, must necessarily become em-poverished. Hence the poverty of Spain and Portugal; which, having few or no manufactories of their own, consume those of their more industrious neighbours.

Non-consuming agents of labour are far more profitable, than those which consume. Horse power is more wasteful than water power; steam looms are cheaper infinitely than hand looms. It is on this account of consumption, that *slave labour* is so unproductive, when compared with non-consuming agents of production. Hence the cause of discontent in the south to our tariff of industry; we of the north being engaged in manufacturing on the scale of non-consuming la-

bour, and they of the south being engaged in agriculture on the expensive plan of consuming labour.

Economy in the consumption of labour, then, although not a source of *production*, is yet a source of wealth, by restricting and limiting the waste of industry. But this must be properly understood, so as not to engender the false idea, of economy being a constituent of national wealth in itself, instead of a mere accident, or application, or direction of industry itself. Yet the importance of economy is so great, that national happiness, safety, and independence depend on it; for without this quality, the most exuberant production would avail but inconsiderably towards giving vigour and energy to government, in its foreign relations.

The ancient states of Greece and Rome, as well as those of the East, relied wholly upon national economy to prosecute their wars with success, and fortify them against foreign aggression. They accumulated a stock of money, saved from the amount of their revenue, and by thus restricting their consumption in times of peace, powerfully contributed to their victories during war. Until a few centuries ago, the same practice was observed by most of the kingdoms of modern Europe, who were then unacquainted with the mysterious branch of financiering, that consumes, in advance, the labour of posterity for hundreds of years, and indefinite ages.

Economy in consumption is a chief branch of the business of the financier—as much so as the abundance of production. He ought to devise, protect, and cherish all measures, which could contribute to either, but having more control over expenditures than production, his chief talent lies in that direction.

Nothing assists prodigality and unprofitableness in the consumption of labour, so much as paper credits, bank notes, and the whole system of artificial currency; which, by giving facilities to the transfer of values, and throwing into circulation the whole gross amount of labour, cause prodigality and waste in every branch of consumption. In addition to this, a greater idea of importance and preciousness being attached to gold and silver, and paper money being less thought of, causes the latter to be used with less parsimony, and a consequent waste of values ensues. Under the credit system, too, money being easy of acquisition on loan, without the intervention of labour, prodigality of consumption is necessarily encouraged by it. The facility of obtaining loans furnished by banks, and the concomitants of idleness, luxury, relaxed morality, and broken credit, all tend to produce useless and augmented consumption of values, as well as a diminution of production.

Luxury is unquestionably a wasteful consumption of value, as well as a pernicious one; it is wasteful, because no luxury can be necessary, for they supply no want—it is pernicious, because all luxuries deteriorate the faculties of man, impair his intellectual, moral, and physical energies, and consequently destroy their productive power. The consumption of this class of values, of course, employs thousands of labourers, who cannot consume any portion of what they produce, so that, instead of adding to the wealth of the country by producing what contributes to existence, comfort, reproduction, or population, they only produce a commodity that is inimical to all the ends of civilization and industry. The mere result of luxury to him who produces it, that his labour is paid for, and industry is thus stimulated, is no argument in its favour; for men

and agents employed in the most desolating tasks are paid for it, and it may stimulate them to further mischief—but this proves no beneficial result. In fine, the consumption of luxuries is a real *annihilation* of all the hands engaged in their production; it is the actual and positive destruction of ingenuity, skill, strength, and industry, and amounts to this, that industry is directed almost wholly into one channel of consumption, to gratify the rich and luxurious; the necessary consequence of which is, that poverty and starvation become the lot of the mass of the people. Thus it is, that one rich man's consumption in luxury, would support a score, or a hundred poor families in ease and comfort. For the labour of those who produce luxuries is a real abstraction from the stock of useful industry, and therefore it is, that every augmentation of luxury is an increase of poverty. Hence the ancient remark, that every palace creates hundreds of hovels; hence and so the fact, that luxury, magnificence, ostentation, cause the alms-house and the penitentiary to erect their walls in the midst of splendid cities, and luxurious capitals.

CHAPTER XXVII.

Of Population.

NATURE, ever harmonious in her plans—ever beneficent in her economy—ever wise in her decrees, presents an unvaried scheme of wisdom in all her works; adapting with admirable skill means to ends; and never omitting to provide, by infallible laws, for the consummation of her perfect system.

But the most beautiful and beneficent of all the systems of nature, have been made liable to the influence of human conduct; and folly, wickedness, and despotism, have often defeated the noblest purposes of God, by tainting them with the corrupting, the debasing passions of man.

The monopolies, injustice, and oppression of the feudal systems of Europe, combined with the modern corruptions of politics, have caused the question to arise, whether nature has provided the means of subsisting a progressive population, without incurring the danger of want, and the visitation of famine. And this question too, has been raised in a country in which the land is held in virtue of conquest, by an ambitious and unprincipled invader, who dispensed it to his rapacious barons, as caprice, partiality, or passion dictated; in a country in which the laws of primogeniture and entails are established—where thousands of acres are allotted for the parks and pleasure grounds of a single nobleman, and not a perch for the hovel of a labourer, not a field on which he can cultivate the elements of life; in a

country, where the waste lands of the crown would subsist nearly half her population—where luxury, profusion, waste, prodigality, affluence, and refinement, are carried to an excess which surpasses Assyrian voluptuousness, and rivals Roman sensuality; a country whose *nobility* squander upon gewgaws, vice, and dissipation, more than would support double her population in ease and comfort, and whose *capital* wastes more of the bread of life, than would pamper her famished thousands with satiety!

That the ability of the earth to maintain its population in comfort, should be questioned in such a country, may well excite the unphilosophical emotion of surprise. It is quite as reasonable, as would be the conduct of an *Irish absentee*, who should portray his native isle as afflicted with sterility, blast, and mildew; incapable of affording nourishment to her children, and convicting nature of a fatal oversight in not providing the means of sustaining her growing population of human beings.

We have seen in the foregoing chapters, that the primary laws of nature have decreed, that to support life man has been doomed to labour; and that those who never toil depend for subsistence upon others. Corresponding to this beneficent instinct, how bountifully has nature spread the materials for labour before *all* her sons. The expansive earth invites every hand to open its bosom, and avail himself of its treasures. But too indulgent to our wants—too prodigal of her precious bounties, nature has so engrafted the principle of increase in all that is necessary to subsist human life, that the labour of a few will sustain thousands, and banish every apprehension of want from the mind. By her endless fecundity, she even makes us presumptu-

ous, and invites us to indolence, tempts us to injustice, and inspires us with rapacity to grasp at the very food that wards off famine from our fellow creature. The gift of superabundance proves the motive to undue accumulation. In the midst of plenty, avarice, power, ambition, extortion—all start up to monopolize the bounties of nature, and create a famine to seven eighths of mankind, in order that the remaining fraction may riot in gluttony, and luxuriate in excess. And the famine thus caused by the diabolical passions of man, is attempted to be ascribed to nature; whilst the pampered scribes of a voluptuous nobility coolly sit down, and under the pretence of philosophy, affect to calculate that nature has not provided subsistence for her children.

When the fiat of nature went forth to man, “*increase and multiply*,” the earth teemed with fertility, and every fruit swelled with the nutritious elements of life; the herds thickened in the forests, the fish swarmed in the sea, and the birds of the air shadowed the sun with their pinions.

And shall the avarice, oppression, and injustice of man turn all these to dearth and desolation? The voice of reason and of liberty respond a negative; and the just policy of nations opposes a barrier to the removal of the most powerful restraint upon the worst passions of our being.

The ancients estimated the strength and wisdom of a state by their qualities; 1st, the number of people—2d, their stock of industry—3d, their populousness, and capacity of procreation—4th, their equality of condition. These criteria were infallible, for they imply intelligence, virtue, industry, marriage, and public justice.

The determined and zealous efforts, recently made by a new school of political economists, to throw obstacles in the way of our increase of population, and to produce dissuasives from matrimony, to the minds of the working people of this country, as well as Europe, seem to call for some countervailing investigation into the wisdom, the policy, but, above all, the humanity of a suggestion, which appears to spring solely from selfish considerations in the bosoms of the opulent and idle portion of the community.

One of the most offensive essays of this character, having a direct immoral tendency, and leading to the practice of the most unnatural and horrid vices, attracted my attention during the last summer, extracted from an English Journal, published at Naples, or Florence—I believe the former. Other publications of the same import are extensively diffused, and zealously espoused in New York. On the ground-work of Malthus, whose theory was not less fallacious than revolting, refinement has raised a superstructure, whose hideous deformity shocks virtue as much as it affrights philanthropy and reason.

The great argument with the enemies of population is, that the poor ought not to beget children whom they cannot support in comfort, or rear to virtue and intelligence; that they must, therefore, forego the health, the happiness, and the virtue of the matrimonial connection, that the rich may not be disturbed on the couch of luxury, by the thought of taxation.

An enlightened benevolence, instead of adding the curse of vice, and the deprivation of love, to the afflictions of poverty, would have suggested the means to mitigate, or remove, the latter—to promote the competence and augment the comfort of the laborious and

productive part of society ; the authors of all its wealth, its luxuries, and its happiness. In addition to the cruelty of the scheme, it is unwise, impolitic, and oppressive. It is unwise, because it assumes the first principle, that poverty must exist, and must increase : it is impolitic, because it tends to add to the burdens of society, by inculcating the necessity and growth of pauperism, and depressing the poor into lethargy, as well as urging them to vice. It is oppressive, because it seeks to close up, by a dismal fatality, the door of enterprise, exertion, emulation, competition, pride, independence, and industry ; besides, that by inspiring a general dread of poverty, it will tend to cut off all the working people of the country from the solace of a home, the happiness of the parental sympathies, and the moral restraints that inseparably attend the connubial life, inducing sobriety, industry, order ; awakening love of country, devotion to freedom, and all those exalted virtues which distinguish the patriot, the Christian, and the moralist.

In place, therefore, of depriving the poor of the solace of matrimony, because they may not be able to support their issue, we are bound by every consideration of sound policy, religion, morality and benevolence, to devise means to diminish their poverty, by seeking out and removing the causes of so unequal a distribution of labour, and encourage both marriages and population, as the means of national wealth, as well as individual happiness.

I do not mean to deny that poverty, in many instances, is the fruit of idleness and improvidence in individuals ; but in general, where a people are characterised by industrious and sober habits, the penury of the great portion of society is produced by the perversion of the

principles of government; and where this is the case, an obligation is imposed to apply a remedy to the evil, and improve their means of comfortable subsistence, instead of paring down their enjoyments to the brute instincts of the lower world, satiated that their hunger is appeased, their thirst quenched, and that a pallet of straw receives their head to a feverish repose, after the wearisome toil of the day.

But let the statesman and the philosopher remember, that the physical degradation of man is ever accompanied by moral degeneracy. It is an axiom consecrated by reason, and made venerable by time affirming to its truth, that as we exalt mankind in the scale of enjoyment and competence, we improve their morals, as well as refine and expand their intellectual character. All nations, as they are rude in their manner of living, and scanty in their food and enjoyments, are found to be laborious, vicious, cruel and unjust; and as they rise in the scale of what we may justly term the happiness of life, so do they improve in the practice of the social virtues, becoming an honour to God, and an ornament to their country; displaying to the admiration of the world the most simple code of jurisprudence—courts without trials, and jails without tenants; or, at least, approximating to that desirable state.

The increase of population has ever been an object of solicitude to all wise statesmen; because the strength of a country depends on the number and industry of the people. Hence the wisdom of that policy, to say nothing of its humanity, which shall give to the labouring people such a just portion of their work, as will maintain them in comfort, and enable them to submit their children decently, without committing crime from the dread of their number pinching them with the hor-

rors of poverty. As the voice of nature directs all men to matrimony and procreation, nothing is required to secure public strength and general happiness, but constant industry, with liberal and quick returns to the producer. Hence the extinction of a monopoly would prove an incentive to morality, an auxiliary to happiness, and an instrument of intelligence among the people.

As labour is the only basis of wealth, a just proportion of it must be given to the industrious, to enable them to rear their offspring; or failing to adapt the principles of society to this end, the community must provide means of public instruction for their children; presuming the point to be established, that a christian and enlightened people will rather encourage matrimony, than give countenance to turpitude and pollution, by exhorting to celibacy, or urging a fruitless commerce of the sexes among the most numerous classes of society.

It must certainly be admitted as evidence of the mercenary degeneracy of the age, to find the opulent engrossed by schemes of refined economy, based upon the depravity, the wretchedness, and the servitude of the people. Every great moral interest and political doctrine must, at this rate, be sacrificed to fractions of money. The very means which make a nation wealthy must be exterminated, in order to save groats to the pockets of the affluent; shortsighted selfishness, that like the Turk would destroy the power of productiveness, in its eagerness to snatch from the poor, the trifling pittance of taxation necessary to sustain our almshouses and schools.

To promote an equality of condition—of pleasure, happiness, comfort, and property, among the members

of society, or to prevent too great an inequality, is the first act of a wise and good government. It is the only policy that will counteract the propensity of human nature to rebel against oppression. All revolutions have been produced by inequality of condition: extreme misery and toil in one portion of the people, and extreme luxury, idleness and licentiousness in the other. Whatever causes may produce it, such a state of society is an unjust one; and as long as man is endowed with reason to perceive wrong, and sensibility to feel misery, the principle of reaction will generate elements calculated to accomplish a reform; either by the silent operation of opinion leading to combinations among an injured party, or by the violent coercion of open revolution, and physical force. He is no friend to human rights, or human happiness, who would propose to abridge the people of one enjoyment—rob them of one comfort—or doom them to degrading vice, in order to save a penny to the rich, or diminish the taxation of the body politic.

To conclude these imperfect and desultory remarks: the combination now formed among the working people are intended to better their condition, by operating on public opinion through the force of reason and justice; a process admitted to be slow, but known to be sure. Among their grievances they do not include the institution of marriage, or the right to property already acquired, however exorbitant—but they do question the right to acquire property in the rich by prostrating the rights of others, who produce all the surplus, as well as consumable stock of labour. Let privileged classes be dissolved—let incorporations be annulled—let monopoly and extortion cease—let political justice be done unto all men—let our declaration of rights be

preserved—let our charters of equality be held inviolate—and the working people will have little to do but to lend their common aid to inspire wisdom and integrity into the public councils, and snatch from the hands of usurping demagogues the truncheon of political power.

The best, and indeed the only conclusive evidence as to the ability of the earth to sustain its population, is to be had from history and experience. According to the best authorities, it appears, that the present age has the smallest population of any, since the commencement of historical record. In the time of *Julius Cæsar*, it is computed that the number of mankind was fifty times more numerous than at present: and when it is considered, how inferior were the ancients in all the arts and instruments of *production*, compared with the moderns, we may form some idea of the vast disparity which this disproportion between the populousness of the two periods really amounts to. Mr. Hume controverts this superiority of ancient population, because *slavery* prevailed in Rome and Italy; without duly considering that the *countries* which furnished that immense number of slaves, must have been overstocked with a highly redundant population; namely, Syria, Cilicia, Cappadocia, the lesser Asia, Thræce, and Egypt. The fact, however, of the greater populousness of the ancient world, is based on the concurrent authorities of all the standard authors of Greece and Rome; without including the sacred writings, which so conclusively corroborate the wonderful redundancy of the human race at those early periods. The writer alluded to, with his usual disposition to scepticism, in vain attempts to reason away the force of the ancient authorities; but frequently feels himself compelled to admit that the

circumstances of society in those ages were more favourable to population, than in modern times. In viewing the relative advantages and disadvantages of the ancients and moderns, in respect to the propagation of the species, he remarks: "Before the increase of the Roman power, or rather till its full establishment, almost all the nations, which are the scene of ancient history, were divided into small territories or petty commonwealths, where of course, a *great equality* of fortune prevailed, and the centre of the government was always very near its frontiers.

"This was the situation of affairs not only in Greece and Italy, but also in Spain, Gaul, Germany, Africa, and a great part of the lesser Asia; and it must be owned, that no institution could be more favourable to the propagation of mankind. For though a man of an overgrown fortune, not being able to consume more than other, must share it with those who serve and attend him; yet their possession being precarious, they have not the same encouragement to marry, as if each had a small fortune, secure and independent. Enormous cities are, besides, destructive to society; beget vice and disorder of all kinds, starve the remoter provinces, and even starve themselves, by the prices to which they raise all provisions. Where each man had his little house and field to himself, and each county had its capital, free and independent; what a happy situation of mankind! How favourable to industry and agriculture; to marriage and propagation. The prolific virtue of men, were it to act in its full extent, without that restraint which poverty and necessity impose on it, would double the number every generation; and nothing surely can give it more liberty, than such small commonwealths, and such an equality of fortune

among the citizens. All small states naturally produce equality of fortune, because they afford no opportunities of great increase; but small commonwealths much more, by that division of power and authority which is essential to them."

Not nature, then, but man, in the wild excess of his passions, creates an artificial scarcity of the fruits of the earth, and permits his avarice and rapacity to erect unjust barriers to marriage and propagation.

The populousness of ancient nations, being proved superior to those of the modern, and having few, or no accounts of devastating famines in those early ages, the ability of the earth to support an augmented number of the human family, is clearly demonstrated, from actual experience recorded in authentic history.

But a stronger argument is to be found, in the immense uncultivated tracts of fertile lands, scattered over the two continents of America, and as the necessities of life will at all periods, like money, find their level, no portion of the world will ever suffer, whilst an overflowing granary exists, however remote may be its locality.

All barbarous countries are sparsely populated, and this will, perhaps, account for the superiority of the ancient states on this score. As nations become civilized, the economy of science, and the assistance of art, are brought to bear upon the means of *production*, and the increase of commodities, which will naturally lead to an increase of population. There is ample testimony to prove, that the middle ages, when semi-barbarism overspread Europe, were but thinly populated; and that in proportion as the rays of knowledge penetrated the gloom, and the arts of life mollified and improved mankind, that population took a fresh

impulse, and soon flooded the limits of empires, exhausting the limited means of subsistence, which the consumption of luxuries had left to the general stock of industry.

There is an interval in all countries, between what may be termed an age of general abundance and comfort, and one of ostentation, luxury, refinement, and sensuality. In this interval, population will want none of the elements necessary to its diffusion, but as the consumption of wealth grows to be extravagant and wasteful, misery and want result to the mass of the people, and population may receive a consequent check. But the causes are palpably to be found in the vices of sensuality, luxury, display, pride, and ambition, of man, which impel him to an unproductive consumption of wealth, and a non-production of labour. Hence, will arise two opposite parties, in respect to population, the idle, the rich, and the non-producing capitalist, contending that population is redundant, and insisting that the producer of labour ought to abstain from matrimony, and offspring, in order to allow to them a greater consumption of luxury,—whilst the industrious, the philanthropic, and the virtuous would contend, that as he who produced wealth, or acquired it by the force of talent, genius, and industry, ought to enjoy it, society was bound to make her laws conform to the principles of natural justice, and enable the working classes to maintain and educate their offspring, from that portion of the stock of labour, which of right belongs to them, and which is now wasted upon luxury, pomp, and extravagance. That therefore the present right to property, is identical with the *divine right to power*,—that the *human* right to property is the skill, talent, and industry to produce, and acquire

it, as the human right to power is the suffrage, voice and happiness of the majority, or of all mankind.

NATURE has written upon every heart, in characters too legible to be misunderstood, the word "INDUSTRY." She has made its fruit sweet, and its toil wholesome, its reward independence and felicity. But power has perverted her decrees: in place of industry, she has inscribed "SLAVERY,"—has made its fruit bitter, its toil poisonous, its reward dependence, misery, and vice. Nature, omnipotent in her instincts, cries aloud to displace POWER, and substitute RIGHT, to abolish "SLAVERY," and reinstate competence, happiness, and virtue, in their just possessions. The age, and the country we live in, declare the time propitious, and the reform inevitable.

APPENDIX.

As an historical testimony of the *rights of man*, proclaimed to the world, and acknowledged by the nation, I have thought proper to insert here the following precious document; which ought to be deeply engraven on the mind of every American.

DECLARATION OF INDEPENDENCE.

In Congress, July 4, 1776.

When, in the course of human events, it becomes necessary for one people to dissolve the political bands which have connected them with another, and to assume, among the powers of the earth, the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident; that all men are created equal; that they are endowed, by their Creator, with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall be most likely to effect their safety and happiness. Prudence, indeed, will dictate, that govern-

ments long established, should not be changed for light and transient causes; and accordingly, all experience hath shown that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evince a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security. Such has been the patient suffering of these colonies; and such is now the necessity which constrains them to alter their former systems of government. The history of the present king of Great Britain, is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these states. To prove this, let facts be submitted to a candid world.

He has refused his assent to laws the most wholesome and necessary for the public good.

He has forbidden his governors to pass laws of immediate and pressing importance, unless suspended in their operation till his assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other laws for the accommodation of large districts of people, unless those people would relinquish the right of representation in the legislature: a right inestimable to them, and formidable to tyrants only. He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their public records, for the sole purpose of fatiguing them into compliance with his measures.

He has dissolved representative houses repeatedly, for opposing, with manly firmness, his invasions on the rights of the people.

He has refused for a long time, after such dissolutions, to cause others to be elected; whereby the legislative powers, incapable of annihilation, have returned to the people at large for their exercise; the state remaining, in the mean time, exposed to all the dangers of invasion from without, and convulsions within.

He has endeavoured to prevent the population of these states; for that purpose obstructing the laws for naturalization of foreigners; refusing to pass others to encourage their migrations hither, and raising the conditions of new appropriations of lands.

He has obstructed the administration of justice, by refusing his assent to laws for establishing judiciary powers.

He has made judges dependent on his will alone, for the tenure of their offices, and the amount and payment of their salaries.

He has erected a multitude of new offices, and sent hither swarms of officers, to harass our people and eat out their substance.

He has kept among us, in times of peace, standing armies, without the consent of our legislatures.

He has affected to render the military independent of, and superior to the civil power.

He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws: giving his consent to their acts of pretended legislation.

For quartering large bodies of armed troops among us:

For protecting them, by a mock trial, from punish-

ment for any murders which they should commit on the inhabitants of these states :

For cutting off our trade with all parts of the world :

For imposing taxes on us without our consent :

For depriving us, in many cases, of the benefits of trial by jury :

For transporting us beyond seas to be tried for pretended offences :

For abolishing the free system of English laws in a neighbouring province, establishing therein an arbitrary government, and enlarging its boundaries so as to render it at once an example and fit instrument for introducing the same absolute rule into these colonies :

For taking away our charters, abolishing our most valuable laws, and altering fundamentally the forms of our governments :

For suspending our own legislatures, and declaring themselves invested with power to legislate for us in all cases whatsoever.

He has abdicated government here, by declaring us out of his protection, and waging war against us.

He has plundered our seas, ravaged our coasts, burnt our towns, and destroyed the lives of our people.

He is, at this time, transporting large armies of foreign mercenaries to complete the work of death, desolation and tyranny, already begun, with circumstances of cruelty and perfidy, scarcely paralleled in the most barbarous ages, and totally unworthy the head of a civilized nation.

He has constrained our fellow-citizens, taken captive on the high seas, to bear arms against their country, to become the executioners of their friends and brethren, or to fall themselves by their hands.

He has excited domestic insurrections amongst us,

and has endeavoured to bring on the inhabitants of our frontiers, the merciless Indian savages, whose known rule of warfare is an undistinguished destruction of all ages, sexes and conditions.

In every stage of these oppressions, we have petitioned for redress in the most humble terms: Our repeated petitions have been answered only by repeated injury. A prince, whose character is thus marked by every act which may define a tyrant, is unfit to be the ruler of a free people.

Nor have we been wanting in attentions to our British brethren. We have warned them, from time to time, of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity, and we have conjured them by the ties of our common kindred, to disavow these usurpations, which would inevitably interrupt our connexions and correspondence. They too have been deaf to the voice of justice and of consanguinity. We must, therefore, acquiesce in the necessity which denounces our separation, and hold them, as we hold the rest of mankind, enemies in war, in peace friends.

We, therefore, the representatives of the United States of America, in General Congress assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the name, and by the authority of the good people of these colonies, solemnly publish and declare, That these United Colonies are, and of right ought to be, Free and Independent States; that they are absolved from all allegiance to the British Crown, and that all political connexion between them and the state of Great Britain, is, and

ought to be, totally dissolved; and that as Free and Independent States, they have full power to levy war, conclude peace, contract alliances, establish commerce, and to do all other acts and things which Independent States may of right do. And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other, our lives, our fortunes, and our sacred honour.

Signed by order and in behalf of the Congress.

JOHN HANCOCK, President.

Attest.

CHARLES THOMPSON, Secretary.

The Bank of the United States.

ALL general principles are liable to exceptions. In a country where the monopoly of banking is carried to a great extent, it may often become necessary to check one monopoly by another, and oppose the interest of those who have nothing to restrain their cupidity, by the interest of another party, who have controlling motives of integrity to regulate their conduct. Upon a just theory framed for the equitable distribution of property, no paper money should prevail; but where institutions exist for its manufacture to an unlimited extent, another question presents itself, whether the over-issues of the local banks, may not be beneficially controlled by the higher obligations imposed on the bank of the United States, to preserve a metallic currency, and by the combined influence of the funds of government, with those of its stockholders—hold a salutary restraint over the temptation which always exists to bankruptcy, when the currency of a country is placed at the discretion of private cupidity, and chartered companies. In this view, the question arises, whether the bank of the United States is not to be preferred to any unknown or odious system, which might take its place, were the people to suffer it to be destroyed.

It may safely be asserted, that in the existing state of commerce and capital, and in all commercial communities of equally extended faculties, a pure metallic currency is impracticable. The most obvious and suf-

sufficient reason is to be found in the fact, that gold and silver do not exist in quantities equal to the circulation of labour; in other words, that values in products, which pass from hand to hand, exceed the values in gold and silver. A pure metallic currency, therefore, is impossible in itself, and if it were possible, from the relations of things, it would be ineligible from its extreme inconvenience—for the immense amounts of money which hourly change hands between men of business, if paid and received in the precious metals, would require a train of wagons, carts, and porters, and consume so large a period of time, as to impede business beyond all the limits of profit, and tend to obstruct and retard our prosperity at least one hundred per cent. on the most reasonable scale of computation. Such a state of exchange of labour, however, is utterly impracticable in a country distinguished for activity of commerce. It does not prevail even in China, and in no country remarkable for its ingenuity and opulence, or in any advanced from the first crude efforts of society towards refinement and art. A pure metallic currency is generally confined to countries yet in their infancy, or whose civilization has been retarded by that cause; a superabundance of gold and silver over the amount of industry.

Every one is now familiar with the fact, that it is not gold and silver which render a country rich and independent, but *industry, skill, manufactures, population*, and the virtues of social life. Strip us of all our gold and silver to-morrow, and we shall have remaining all that is necessary to our wants, or conducive to our refinement. Property would continue as secure in its tenure, and as undiminished in its value, and exchange of products would be accomplished through

some *other medium*; and this would be the sole difference between two countries, one of which was destitute of the precious metals, and the other abounding in them.

A pure metallic currency then being impracticable, it remains to be considered what species of currency is most convenient, most safe, least variable, and most favourable to private and public credit.

Experience has shown the danger of paper credits, unrestricted by the check of specie equivalents. The natural rapacity of man leading him to all expedients to acquire property, must be restrained by the intervention of laws and principles founded in justice and equity. The intrinsic preciousness of gold and silver, the labour necessary to their acquisition, and the skill, ingenuity, and power, comprised in their coinage, involving a sovereign and absolute authority, render them *real equivalents* to the products of industry; whereas paper credits are, in themselves, worth nothing; and hence the necessity of correcting their nominal character of money by what is of *standard value*—gold and silver. The latter being too unwieldy for a currency in large amounts, but necessary as a standard of value, and paper being most convenient for a currency, but having no real value, it becomes self-evident that, by a proper mixture of the two, a medium of exchange is compounded, which, while it secures property from danger, at the same time extends the utmost facility to the circulation of wealth, and the operations of commerce.

Different nations have resorted to various expedients to attain this object; but it has been attained by none in such perfection as by England and the United States; the former by her national bank, the latter by

a private institution, under federal authority, the bank of the United States. In the bills of this corporation, we possess the double property of gold and silver in respect to value, and all the facility of paper credits, without any of their disadvantages. We can transmit them thousands of miles without incurring a cent of cost, or suffering a cent of depreciation. They are gold and silver embodied in a form so portable, so aerial, as to almost realize the idea of magic; and present, in a new aspect, those wonderful inventions of science and philosophy which distinguish the era of steam power, and the application of mathematical science, to the annihilation of distance.

In a country whose local governments are prone to an excessive issue of paper credits, such an institution becomes invaluable; for it operates to secure the solvency of the whole nation, and interposes its benignant power to arrest ruin and bankruptcy throughout the states.

Contrasted with any other ostensive method of a profitable medium of exchange, combining the standard and invariable property of gold and silver, no institution can vie with that under consideration. It is, in a peculiar manner, in its relation to the currency of the Union, preserving it sound, wholesome, and solvent—that we now desire to consider the utility of the bank of the United States.

Can any other method compare with it? Can the meager expedient of *Treasury bills*, issued by a Treasury bank, compare with it? The experience of the last war fully answers this question, to say nothing of that agony of ruin which attended upon our Continental money.

The bills of the bank of the United States are con-

vertible into specie at pleasure ;—they constitute a universal portable currency of equal value in all parts of the Union. And while they possess this precious property of an equal and sound currency, they also operate as a check upon all other paper credits, imparting the same qualities to them ; and exacting a specie responsibility from all institutions that emit this useful, but dangerous kind of fictitious money ; which, without the bank of the United States, would be wholly a fiction, and essentially a curse ! How serious a duty, therefore, devolves upon the people to preserve this institution. Let them ponder on it with the solemnity becoming the importance of the great interests involved in its existence.

The principal objections originally urged against this institution, by those who opposed it from sincere convictions of right, or conscientious impressions of truth and justice, may be ranged under the following heads :—

1. That there existed no *express* power to incorporate it in the constitution.
2. That its utility was matter of theory,
3. That government could perform its functions independent of such an institution.
4. That it would generate a dangerous monied aristocracy, inimical to our rights and liberties.
5. That government has no right to become a joint-stock proprietor in private companies.

1. The first objection may be called one of those *primary* questions, that came into discussion among the members of the federal convention of 1789 ; and which being peculiar to the period of its origin, must now be considered as settled by the subsequent practice of every administration, since the organization of

the government. It is a question no longer open to discussion ; having been closed up by that invariable and successive action, which, implying the sanction of all the states, and the majority of the people, carries with it the force of organic law ; as if part and parcel of the primary form and substance of the constitution. For this practice through successive administrations, could not have obtained without the positive action of the *representatives of the people in both houses of Congress*, nor without the consent of the *states*, represented in the *senate*, and afterwards, by their *legislatures*, in tolerating, and resisting the establishment of its *branches*. A concurrence of popular approbation, more ample than any *primary convention* of the people could afford, and an expression of public sentiment more unanimous, than was given by the states, or the people, to any section, or clause of the constitution, either in convention, or when it received the sanction of adoption by the states. As Mr. Madison, therefore, affirms, the practice of the government has superseded the theoretical question of right, by the most conclusive verdict of the popular voice—extorted by successful and beneficial action.

2. *That its utility was matter of theory.*—This question formed the basis of Mr. Madison's speech of 1791. The whole force of his argument was directed to this point ; which demonstrates that if its utility can be shown, its legality is admitted ; and all further controversy must end. It was chiefly on this ground, that Mr. Madison recanted his opposition, and accorded his support ; and on which ground thousands will follow his example, and bow to the all-powerful force of public benefit, illustrated in the soundness of our currency—the stability of public credit, the prosperity of

trade, and the vigour of the country. Experience has settled this question too firmly, ever to be disturbed by faction, or confuted by argument.

3. *That government could perform its functions independent of such an institution.*—This was a favourite argument with the enemies of the bank; especially in 1810, when the first bank charter was *vetoed* by the casting vote of the vice president George Clinton. This argument was fully brought to the test of experience by the vote of Mr. Clinton. The old bank of *ten millions* capital dissolved, and wound up its business. From 1811 to 1816, we had no bank of the United States, to facilitate the movements, and expedite the financial affairs of government. THAT INTERVAL WAS THE MOST DISASTROUS IN THE HISTORY OF THE COUNTRY SINCE THE AMERICAN REVOLUTION. Public credit declined to so low an ebb that one hundred dollars of *public stock*, commanded but sixty dollars, at an interest of seven per cent. Private fortunes, and trade, sunk to a degree of misery never before known. The *currency* became so precarious, that the best bank bills were at a discount of twenty per cent.; and gold and silver could not be procured at any price. All commerce was destroyed. Nothing but desperate speculation prevailed. Real estate depreciated to one fourth of its former value; at a period, when, as the currency depreciated, it ought to have risen. The suspension of *specie payments* became universal. Even six cent silver pieces were banished from circulation; and the banks were compelled to sign and issue *notes* for the smallest fraction of silver coin. Government was paralysed—its credit was destroyed—and *individuals* in different sections of the country, whose patriotism was superior to private in-

terest, were induced to come forward and *pledge their fortunes* to rescue the country from instant and certain ruin. Treasury notes were as low as sixty dollars in the hundred, bearing *an interest*, and subject to being consolidated in a permanent stock. *The nation was bankrupt—public credit crushed—and the operations of government entirely suspended. No experiment was ever so fully tried—so fatally disastrous—so sincerely deplored. The nation trembled at the verge of ruin. The government stood on the brink of dissolution, uncertain of its fate, and every moment seemed big with bankruptcy and civil discord. Mr. Madison, who was then president, was struck with the most awful conviction of his former error, in respect to a national bank. He saw—he repented—and he repaired it. The experiment was fully tried—the argument had been brought home to the country—to its commerce—and to individuals. The conviction was complete: the government could not perform its functions independent of a bank of the United States; and Mr. Madison in 1815 recommended to congress to charter a national bank of fifty millions capital. The country, sharing to a painful extent his own experience, concurred almost unanimously in the scheme. Mr. Clay, formerly opposed to the bank, became from experience, its most distinguished, zealous, and eloquent advocate. He took the floor in its defence; and the petty cavillings of a monkish superstition for the constitution, were silenced by the thunders of his oratory, or corrected by the force of his logic. Mr. Calhoun, also its opponent in ancient times, became its advocate; and poured forth a stream of lucid and brilliant eloquence in its support. The nation listened—responded—and concurred. The bank of the United States, as*

if to realize the fable of the phoenix, arose from its ashes, with renovated splendour. I say, arose from *its ashes*, for the basis of all the arguments in its support, was the inestimable services rendered to government, and to the public; by the original bank, under the management of *George Simpson, Esq.*, whose fiscal genius, talents for banking, and proverbial integrity, were known to, and acknowledged by the country. Mr. Madison signed the bill, and the present bank immediately went into operation.

The effect was like magic. Public confidence was instantaneously restored. Public credit rose faster than it fell. The reaction was wonderful. The currency became as sound as if the disease had been touched by the rod of miracle. Specie payments speedily followed. The government became extricated from its difficulties—commerce flourished—trade revived—and general prosperity once more shone throughout the land. But the loss the government had sustained, was not so easily repaired. It had issued millions of stock, for little more than fifty per cent. of depreciated currency, upon which there was again to be sustained a loss of from ten to twenty per cent. Its character too, had suffered in the general shock. *Bad faith* was imputed to it, in having suffered the first bank, under the most sound and wholesome regulations to perish—when policy—interest—good faith, and principle, all pointed to its continuance. Can a lesson so awful, fail to be admonitory? Can experience so ample, fail to lead to wisdom that would prefer prevention to cure? Can reason, science, or patriotism, resist the conviction wrought by experience, time, truth, public misery, and national disaster?

If a sound currency is an object of importance or solicitude to a nation, (and who can doubt the fact?) the bank of the United States must be considered one of the most invaluable institutions ever devised to benefit and protect a commercial people.

When we consider the immense streams of local paper credits, which deluge the union from one extremity to the other—much of it based on uncertain, or fictitious capital, and having an inadequate metallic equivalent to redeem them—some faint idea may be formed of the benefits produced by an institution, which *interposes* its solvent power to prevent an utter depreciation of the paper currency of the country. Although the task of proving a negative is always difficult—still, in this case, it becomes practicable, from the very obvious tendency of that spirit of enterprise and speculation, which is constantly seeking to multiply the number of state banks, without regard to the public interest—the absence of all necessity for their creation, and the almost demonstrable injury they must inflict on public credit, as well as the general prosperity. The annually repeated attempts in this State, to incorporate batches of new banks; and of course to throw into circulation a flood of paper money, as unsubstantial as the very bubbles of the sea, will afford some conception of the perpetual danger arising from a *local* paper currency; especially to those who have forgotten the tradition of the countless evils that attended upon the CONTINENTAL MONEY during the revolutionary war. Let the impressive fact, of the daily failure and suspension of state banks, in almost every quarter of the Union, be added to the foregoing monitions, and we shall establish at once more than a sufficient mass of probable testimony to bear out the conclusion, that if left to themselves,

without the restriction and example of a specie paying bank of the United States, they would speedily fall into general bankruptcy and ruin; spreading desolation, dismay, and poverty through all ranks of society. From a note appended to Mr. Gallatin's essay on currency, we learn the surprising and startling fact, that the number of local banks, which stopped or suspended operations, from 1811 to 1830, was 1645, the ascertained amount of whose CAPITAL was *twenty-four millions two hundred and twelve thousand dollars*. Suppose the restraining influence of the bank of the United States had been removed—suppose the local institutions throughout the Union had been without any check or control on their issues—it is almost self-evident that this calamitous depreciation of our paper currency, would have reached an extent as calamitous as that of our *continental money*. For suppose the non-existence of this bank, would not the currency return to its old rotten condition? There is every probability to infer it would, and but a bare possibility that it would not.

The motives to an over-issue of paper, in state institutions, are so numerous and so powerful, that they have been found to operate in defiance of all resolutions of virtue; all precautions of prudence; all restrictions of law; and all force of penalties. It is the spirit of speculation—it is the passion analogous to that of gaming, which is seduced by imperceptible degrees into a vortex—which ventures a little at first, and, proving successful, ventures more, until the stake becomes desperate, the involvement fatal, and extrication impossible. On the part of the bank of the United States, the very foundation of its institution being to correct and sustain a sound currency—to equalize exchanges—and to expedite the transmission of the *public*

funds, without depreciation—the same temptations do not exist; and, if they did, the *corrective power*, retained in the hands of government, would quickly check it, did it even fail to be arrested by a judicious and able management on the part of the directors. But this attitude is a full guarantee of its metallic responsibility. The necessity imposed on it to preserve the specie characters of the state institutions, involves the imperative obligation, preliminary to all others—to maintain its own solvency. On this point, doubt would be ridiculous, and argument waste of thought.

The influence of the bank of the United States, then, upon the currency, is not to be estimated exactly by what we see, but what *we do not see*—not by what stands before us, but by what is *past*, and what is *prospective*, under the *assumption of its dissolution*. We are now like a man in health, who cannot appreciate the virtues of medicines, and the skill of the physician: we forget our past illness, and overlook the cause of our present health. The bank of the United States is the physician of our country: it has restored it to a sanative and vigorous state; and let us not prove ungrateful or unwise, by forfeiting its *diploma*, and despising its prescriptions. Upon a relapse of the disease, a *new doctor* would be more likely to kill the patient than restore him. The best evidence, of this faculty of the bank, is the spontaneous attestation of every respectable and responsible state institution in the country, whose interests are indissolubly linked with those of the bank of the United States.

The constitutional question involved in this institution; has been so often and so elaborately discussed, without having attained a decision satisfactory to the

conflicting parties—the decree even of the Supreme Court being still resisted by the advocates of the absolute sovereignty of the states, invested with the power of nullifying the Union—that I rather now undertake the task of showing, however ungrateful it may be to our feelings and mortifying to our understanding, that this point never can be settled either to the satisfaction of those who deny, or those who contend for its constitutional tenure; and in coming to this conclusion we apprehend no danger to the existence or renewal of its charter, for want of a legal sanction.

I am free to admit, that the decree of the Supreme Court does not settle the question in any other than a judicial sense: it cannot operate on legislation—it cannot bind the absolute power of the people and their representatives, to decree that its charter shall terminate, and that its existence is incompatible with the constitution.

I admit too that the Supreme Court does not bind the *executive*, and that he may veto any bill for a renewal of its chartered privileges, if he shall deem it necessary to the welfare of the country, or indispensable with his own views of justice. It follows of course, that the decree of the Supreme Court does not establish its validity beyond the reach of executive and legislative action.

On the other hand, we have in favour of the bank, its existence, coeval almost from the adoption of the constitution, for a period of forty years;—we have in its favour the continued legislation of congress, and the expressed or tacit approbation of the people, as well as the acquiescence of the states. For the same period we have the opinions and arguments of the most distinguished statesmen of our country—in fine, whatever

of authority, of reason, and of jurisprudence, can be brought to bear upon any subject, is arrayed in resistless force on the side of the constitutional tenure of this corporation, by all the acts which imply the sanction of organic law.

No general principle, no doctrine, can be more sound than that which decrees, that the progressive advancement and expansion of a country, may influence the constitution to conform to its altered relations. Garments adapted to the limbs of a pigmy, would but ill suit the motions and colossal frame of a giant. A constitution adopted in the infancy of an empire, consisting of not three millions of people, could scarcely prove a profitable rule of action to a nation of *twelve millions*, covering a space four-fold its original dimensions. So that even if the constitution in '89 had positively prohibited such an institution as the bank of the United States, it would not necessarily follow, that under the *present state of the country*, it ought not to exist. This doctrine may at first view appear startling—but it has too many *present practices* to sustain it; to permit its hasty denunciation. Under what clause of the constitution shall we find a power to authorize the *distribution of the surplus revenue among the states*? So far from being authorized, it is contradictory to the spirit, and anomalous to the objects of the constitution. The taxing power of the Union was to preserve the general government—not indirectly pamper the states; and the taxing power reserved to the states, was for their preservation, independent of all reversion of revenue from the general government to them! Yet this distribution of revenue, needless as it is, and mischievous as it may be, excites no symptoms of horror and remorse in the people. In what feature

of public utility or national benefit, can that extra constitutional proposition, be compared to the useful qualities of the bank of the United States? Then if the country may outgrow the constitution for evil, or doubtful good—surely it may outgrow it for incontrovertible benefits. Now the constitution does inhibit this distribution of revenue; but it does not inhibit the bank. Even the tariff is of a dubious constitutional authority; but its utility has, by common consent, engrafted it on an organic law! The power to make internal improvements is also of doubtful existence—yet their vast and obvious benefits have superadded it to the original rule of action, or orbit of national functions. It is the same in relation to the settlement of the Indian tribes west of the Mississippi, by the United States; an exercise of power so palpably *extra-Federal*, that it defies all ingenuity, skill, or sophistry to construe the constitution to its authorization. It is an absolute and complete Indian state, created by a power assumed and never delegated by the constitution; yet necessary, indispensable, and justified by circumstances as imperious as just. It is the exercise of absolute power, by a limited government of delegated authority, out of the circle of its federal action. No one would be so absurd as to allege, that it was authorized by the constitution, in an express clause of enumerated powers. Yet, at the same time, no one would venture to incur derision, by maintaining that the exercise of this power, so salutary and beneficial, was a violation of the constitution. Analogy on all sides gives positive authority for the expansion of the constitution, to the growth of the country, and its daily mutable relations.

It has been justly disputed, whether our ancestors have the right to bind their *posterity*. If they have,

what becomes of that darling theme, *the sovereignty of the people*? Is it an idea only? Is it a pure abstract, and etherial being? Or is it *practicable, substantive, and ever existent*? If the latter, we cannot be bound— if the former, we are entitled to have a *practical constitution*, which may be an improvement upon the *theoretical* one; the practice not violating the theory, but improving, expanding and perfecting it.

I have thus merely taken a casual glance at this question of the constitutionality of the bank, in order to show, by analogical cases, how beset by difficulties, and embarrassed by intrinsic obstructions to a lucid and satisfactory conclusion, is this vexed and complicated discussion.

The subject is one of the deepest importance, involving as it does questions of the greatest weight, as to constitutional infringement and expansions, to say nothing of the blessings of sound currency enjoyed to so happy an extent under the administration of the present institution.

So many of the powers exercised by the federal government, are purely inferential, and not to be found among those expressly enumerated—that it becomes a difficult point to decide, what are constitutional powers, if we confine ourselves to the strict literal construction of that puritanical school of republicans, who inflexibly confine themselves to the *skeleton* of the constitution, and refuse to fill up its minute parts with the muscle, fibres, and flesh of *implied* and *inferential* powers necessary to its vital functions, its animated and efficient movements.

No part of the federal government has been so much condemned, or criticised with so much unjustifiable rigour, as its implied and derivative functions—and

yet, any statesman may confidently be defied to give successful motion to the national machine, without their aid and assistance. It cannot be done. It has never been pretended—and the puritans who espouse the doctrine of a literal constitution, without undertaking the task of carrying it into practice, resemble a philosopher who should attempt to demonstrate the theory, that the heart was not necessary to the performance of the animal functions, nor the head to intellectual operations; and yet would not consent to make experiment of living without them himself.

The constitutional tenure of the bank of the United States has always been based upon a power avowedly implied, or derivative from a primitive power. General Hamilton, in his incomparable report to General Washington on this subject, rests it exclusively upon this ground. His report was made at the special request of General Washington, who in all his undertakings and policy, under a new and untried system of government, which he was appointed to carry into execution for the first time, without a guide to direct him, save his great sagacity and unexampled patriotism—a task as perilous as unpleasant—who, I say, in all his undertakings, acted with the most scrupulous regard to those boundaries of power, whose limits he had solemnly sworn never to transcend; limits which he had himself been instrumental in affixing to the government; and to observe which, involved every consideration of pride, duty, patriotism and fame, that could fire his bosom. It is not to be imagined, that such a man as *Washington*, under all the circumstances of his peculiar relation to liberty, his country, and the rights of man—would heedlessly rush into an invasion of the constitution, such as the opponents of the bank allege it to be:

True, there was difference of opinion among his cabinet ministers on the subject, and this difference contributed to lead to that division of party into federal and democratic, which so long distracted the country. But this difference soon ceased to exist—and the democrats became in turn the warmest supporters of the bank; whether upon principles or expediency, is a question not important to be considered; the corroboration of an adverse party, of time, of experience, and utility, proved Washington to have been correct in his judgment, and Hamilton invincible in his reasoning. Of those who differed from Washington, all we believe have since retracted their opposition.

The report of Hamilton is a masterly review of the whole ground of the theory and practice of the constitution, as viewed by those who opposed his principles, as well as those who concurred in them. It is matter of history, that Washington adopted in its full extent, this incomparable state paper of the first Secretary of the Treasury; which all who have followed him have been glad to consult as a text-book, and obey as an oracle.

But even those of the cabinet of Washington, who opposed the bank, concede the doctrine of *implied powers*, and virtually surrendered the principle for which they contended. Mr. Jefferson himself was constrained to admit the necessity of *implied powers* in other branches of policy, which indeed no man can withhold assent to, and yet claim efficient action for the machine of government.

There is a view of this question, however, which well deserves the attention of the states, and which did not escape the searching sagacity of Hamilton; it is, that if this power is denied to the federal govern-

ment, it will be incumbent upon that authority to insist on the *integrity* of the constitution, and deny the *banking power* to the states, which so openly violates the *letter* of the instrument, that the opponents of the bank of the United States pretend so morbid a jealousy of, in its *spiritual sense*. For the constitution has expressly declared that the states shall not issue paper money. Yet we hear nothing of the violence done to the independence of the states, or of any intention of rescinding the corporations granted for the purposes of banking. Nor is it desirable that they should be rescinded, so long as they are beneficial, and beneficial they must continue to be, so long as the bank of the United States exists to preserve the *equivalency* of paper to specie. But the argument exposes the inconsistency of the puritanical republicans of Virginia, who cry out against the bank of the United States, which *originated* with a *Virginia President*, and has been successively confirmed and approved by *three other Virginia Presidents*. Yet Virginia makes no clamour about the violation of the constitution by the states, in their incorporation of state institutions to manufacture and circulate paper credits! How is this? Is there not a secret but a potential animosity lurking in her heart against all that belongs to Washington, and is not this hatred the true cause of all her opposition to the bank of the United States, the favourite and darling institution of the Father of his country? Virginia "never tires" of singing the praises of all her other, the most insignificant of her obscure and useless sons—but we listen in vain to hear her raise an anthem to the memory of the most pure, the most exalted, the most patriotic, and the most sublime of—not only all *her* sons—but of all the sons of *Columbia*, the good, the great, the im-

mortal Washington ! May we not hope that she will amend her course, and that if she is proud to boast of *one jewel*, fit to compare with those of Cornelia, she will discover the purest ray of the Roman gem in the modest, the republican, the simple, the unaffected, and the glorious Washington—too great for pride, too good for ostentation, too wise for tyranny ! Well may the bank boast of such a father, and in that boast bid defiance to her enemies.

Notwithstanding the salutary tendency of the present institution upon the currency of the country, which was almost as instantaneous as effectual, yet its *first organization* was attended with much error, and want of judgment :—that had a direct tendency to bring it into disrepute. The defect, however, was not in the bank, but in *its management*. Incompetent officers were selected to control its concerns ; and a board of directors elected, a majority of whom had too deep a stake in the exorbitant enhancement of its stock. In the ardour of speculation, the legitimate objects of banking were obscured, or lost sight of ;—and just ground was afforded by that public complaint, which ultimately awakened the attention of congress to its proper management ; and attracted the more sedate stockholders to desire to reform its management, and revise its errors. Mr. Cheves was chosen *President* ; but his control was rather the nominal symptom of the reformation determined on, than one of the causes of its regenerated action. A more efficient and business-like *directorship*, became the main spring of that recuperative energy, which soon appeared in its transactions ;—and which found in the person of Mr. Cheves an ostensible author of its new and invigorating operations. When Mr. Cheves retired—rather from the force of

circumstances, arising from his want of knowledge appropriate to banking, than from any other cause—the real author of its improved operations stood before the public, and Nicholas Biddle, Esq. was chosen President; to whom the stockholders are indebted for an increase of dividends, and the public, for an extension of usefulness never contemplated upon its original establishment. Under the liberal, enlightened and vigorous management of this gentleman, the government and the community at large are equally benefited. To his genius, science, and comprehensive knowledge of our commercial relations, are the public mainly indebted for those benefits; which, since the era of speculation, have so abundantly flowed from this institution. I have been diffuse on this point, because the *abuse* of this bank, has by many been made an argument against its existence; without sufficiently reflecting, that all human institutions are susceptible of perversion; and that for *two years* of the abuse of its functions, we have enjoyed nearly *twenty* of its legitimate and healthful operation.

It is, therefore, apparent, from the most ample experience, that government cannot perform its functions with advantage to the country, without the aid and co-operation of the bank of the United States; more especially, under that diffusive extent of its relations, which has been caused by the addition of *eleven new States*—numberless additional custom houses, and numerous land offices, in the most remote and inaccessible portions of the Union.

4. It now remains to consider the fourth point of objection—that *it would generate a dangerous monied aristocracy, inimical to our rights and liberties*. This idea has been engendered by a superficial view of the

nature of *capital*, and the want of a proper discrimination, between *capital in circulation*, or *activity*, and capital directed to one single point. The stock of the bank of the United States, is divided among upwards of four thousand shareholders, embracing all the occupations and conditions of life. This capital is under the management of twenty-five directors, who are annually changed, according to the sound republican doctrine of "*rotation in office*." The capital is loaned out to *merchants, farmers, traders, manufacturers, and mechanics*, throughout the twenty-four States of the Union—stimulating industry and enterprise, and causing trade, commerce and agriculture to flourish. In all these operations, where can the jealous eye of liberty detect one latent peril, of the smallest dimensions, to our rights and freedom? Instead of creating a *monied aristocracy*, it opens wide the door to the diffusion of capital, and promotes equality of fortune, competition in business, and republican habits. By a reference to the late expose of the institution, it will be seen that the stock is literally held by the *whole community*; that a monied aristocracy is not even the proprietor of the capital.

5. *That Government has no right to become a joint stock proprietor in private companies.** This is a ques-

* It appears by the last *Report* of the bank, that government is no longer a stockholder. I append the substance of the report of Mr. Biddle, to the stockholders of the bank of the United States, at the late triennial meeting in Philadelphia:—

Numbers of stockholders, 4145. The government stockholders, having paid for their stock, have taken it up.

1449 stockholders own from one to ten shares each; 900 females own 29,000 shares; 329 trustees and executors 20,500; and 126 corporations and charitable societies, 14,300.

More than one fourth is held in the above manner.

tion solely confined to the government, and not to the public, or to the bank. It rests with congress—or the executive; and cannot possibly affect the question of charter—or no charter—or its validity under the constitution. It is for the government to sell its stock, if it has no right to hold it. The bank is entirely passive in this controversy; and the government must judge of its own rights, and their own interests. But whatever that decision may be, it cannot affect the utility of the bank to the government, or the solidity of its foundation upon an organic law, equivalent to a written clause of the constitution.

The capital is distributed between the bank in Philadelphia and 25 branches. Since 1817, two branches have been discontinued, and nine new ones created, making an increase of seven in fourteen years. These proceed from thirty-eight applications.

The situation of the bank on the first of August, 1831, was as follows :

Public debt fund,	3,500,000
Discounted on personal security,	42,600,000
————— on funded security,	800,000
————— on domestic exchange,	14,400,000
Circulation,	↓ 22,300,000
Deposits,	16,300,000
Specie,	+ 11,500,000
Notes of State Banks, equal to specie,	2,100,000
Surplus profits,	1,750,000
Surplus provisions for bad debts,	309,900
Bonus for bank and five per cent. from government, paid and liquidated,	1,705,000
Increase of investments since 1822,	32,250,000
Net profits for January and July, 1822,	1,469,445
Same for 1831,	2,955,000
Amount of bills bought and sold, and treasury transfers,	98,000,000
Domestic bills bought,	40,572,000
In August, 1822, amount of discounts of bank and branches for domestic purposes,	15,700,000
Same in 1831,	33,000,000

The question of a renewal of charter, is not a *simple* question of right, or expediency. It comprehends intricate and complicated relations; and could only be a *pure* question of right, or expediency, if *no other bank existed*. This is a highly important consideration; but it is one which must be fully and freely investigated.

The question does not now rest upon a point of either principle, or expedience; but embraces considerations co-extensive with the rights of every citizen—his property—his labour—his comfort—and the trade, commerce and manufactures of the whole Union. It is, in fine, a question of national prosperity.

It is not a simple and isolated question *in itself*—it is not an abstract matter, or an independent consideration, detached from all others—as if this bank was the sole one in existence, and held aggregated in its charter all the obnoxious features of monopoly and capital, that law could bring to bear oppressively upon our rights and property. The very reverse of this is the fact. It is an institution standing in the midst of a community of minor and local corporations;—in relation to which its merits must be considered, and its operations and influence estimated and adjudged:—if reason and justice are to regulate the investigation, instead of prejudice and bigotry. The question is not, whether the bank of the United States contains an abstract principle favourable to monopoly;—but whether, in a community of corporations having that character, it would be safe to the property of the citizen, to remove a check to *their* excessive issues of paper credits, and demolish a safeguard to the public credit, which tends to preserve the currency in a sound and wholesome state of vigour. To determine this point, the

history of our currency and banks, for the last fifteen or twenty years, must be appealed to; and that completely establishes the fact, of the indispensable utility of this great institution to the monied relations of the country, and the interests of industry, in all its forms and modifications, affecting the wages of labour, the value of property, and the steadiness of prices,

Whatever tends to prevent the monied fluctuations of a country, is of positive utility to the industry of that country; and so far beneficial to all those productive classes, who depend on labour for subsistence. This operation, unseen as it is, by the great mass of society, is not the less real and beneficial. Thousands—tens of thousands of working people, are in this manner benefited by the bank of the United States, who neither can perceive, or conceive the operation, by which they are daily saved from a heavy loss of their labour, by preserving the currency free from depreciation, and not liable to fluctuate from day to day, in its real metallic value. It is but a few years since that the issue of bank bills by the state institutions of a denomination less than *five* dollars, caused a weekly subtraction of one or two dollars from the wages of labour; owing to their local depreciation, caused by their immense influx from other states. A similar depreciation existed in our paper currency generally, when the present bank of the United States commenced operations. Both evils were arrested, and finally removed, by the judicious management of the present head of that institution. But we may safely challenge the opponents of the bank to say, whether they believe those sanative cures in the state of our currency could have been accomplished without the aid of this bank? It is susceptible of demonstration that those useful results

would not otherwise have occurred ; and that no other causes were adequate to beget consequences so auspicious to the country ; for no other causes could combine the two properties of public credit and the power and resources of government, co-operating with the influence and weight of capital.

A fallacious argument, or false position are often exposed with most success, by granting the antagonist argument, as a political opposition is most disconcerted by yielding the contested point. Let us suppose, as some few of the productive classes wish, that the bank of the United States was suddenly demolished. What would be the value of property—what the wages of labour—what the state of the currency—and what the condition of public credit? General consternation would prevail. Real estate would fall to one half its present value—trade would languish and decay, of course—the wages of labour would suffer a proportional diminution—manufactures would languish, and general bankruptcy and ruin would overspread the country. A suspension of *specie* payments would ensue, as a natural consequence of the efforts of the state banks to relieve the public pressure by an extension of their issues. Bank bills would be issued to cure the evil—and thus the mischief would diffuse itself by every fresh attempt to arrest it by such improper means. The dissolution of the bank of the United States would withdraw from circulation not less than *seventy millions of dollars*. To meet this hiatus the state institutions would exert every faculty, without much regard to the peril of the enterprise ; and hence the necessary depreciation of their bills ; the confusion of the currency, and the general ruin of trade and manufactures.

Thus it will appear, that an opposition to the prin-

ciples of banking monopoly *in general*, may be perfectly consistent and reconcilable with an advocacy of the continuance of the bank of the United States ; and the renewal of its charter. Nothing is more reasonable than for an *abstract principle* to yield to a practical good, or an anticipated evil. We may desire to see the pernicious system of banking monopoly abolished ; but when the *best part* of that system *only* is to be menaced with destruction, in order that *all its perils* may flow in upon society, through more copious and mischievous channels—reason, patriotism, and interest, impel us to preserve the best, so that we may not be afflicted with the worst effects of the system. It is, therefore, apparent, that were the bank of the United States to be demolished to-morrow, they who were the first to oppose the renewal of its charter, would be the first to invoke its restoration ; and in one year after, we should behold a new institution erected on its ruins, with a capital of a *hundred millions*, fortified by higher privileges of monopoly, and every way more objectionable to the productive classes. It is for these reasons, that all who look to the true interests of the working people, the real prosperity of the country—the invigorating expansion of our system of American industry, and internal improvements, must desire the continuance of an institution which has done, and is still doing so much to advance and promote the combined faculties and energies of the republic.

*Review of Mr. Madison's Speech against the
Bank of the United States.*

The exordium of this speech upon the general principles and effects of banking, comprises opinions so exploded, and theorems so objectionable, as to justify us in more severity of criticism than we feel disposed to exercise towards a patriot so venerable, and a statesman so eminent as JAMES MADISON. We can overlook his errors the more readily on this subject, because they are the errors of a by-gone age, errors more ascribable to time than to Mr. Madison—more to be ascribed to the gross ignorance of the *Adam Smith school* of economists, than to the able statesman who so lucidly expounded the spirit of the Federal Constitution, under the signature of "PUBLIUS," when associated with Hamilton and Jay. In fine, Mr. Madison has lived long enough to append his approval to a bill incorporating a Bank of the United States with a capital of *thirty-five millions*—after he had objected to a similar institution with a capital of ten millions! He has lived long enough to oppose a TARIFF as a violation of the constitution, and to recant the error of that opinion, and decide in favour of the policy of protecting American manufactures by high duties. He has lived long enough to see the truth and acknowledge the correction that *time* changes even constitutions—and that half a century will so alter, expand and reverse the relations of a young and improving country, that the posterity of the people of 1789, cannot and

will not be controlled by the ordinances adopted for the government of an infant republic, unsettled, unpopulated, immature in its relations, unsettled in its principles, wavering in its policy, and variable in its character. Mr. Madison is to be commended for having displayed that philosophical spirit, which renounces error, at the expense of imputed want of consistency—which, soaring above the common infirmities of man, can keep pace with the improvements of the age into which he has lived, without being soured by its advances, or made obstinate by its superior intelligence. Well might Mr. Madison see cause to change his mind between the year 1791 and 1816, when HE signed the bill for the incorporation of the present bank. That he did see cause to change his mind, we well know; and it was due to candour and fair argument in those who now protrude his speech of 1791 before the public, to state that he had suggested to congress the incorporation of the present bank, and given it existence by the sanction of his name—without which it never could have been. The public will infer whether the suppression of this fact denotes the consciousness of a bad cause, and an untenable position.

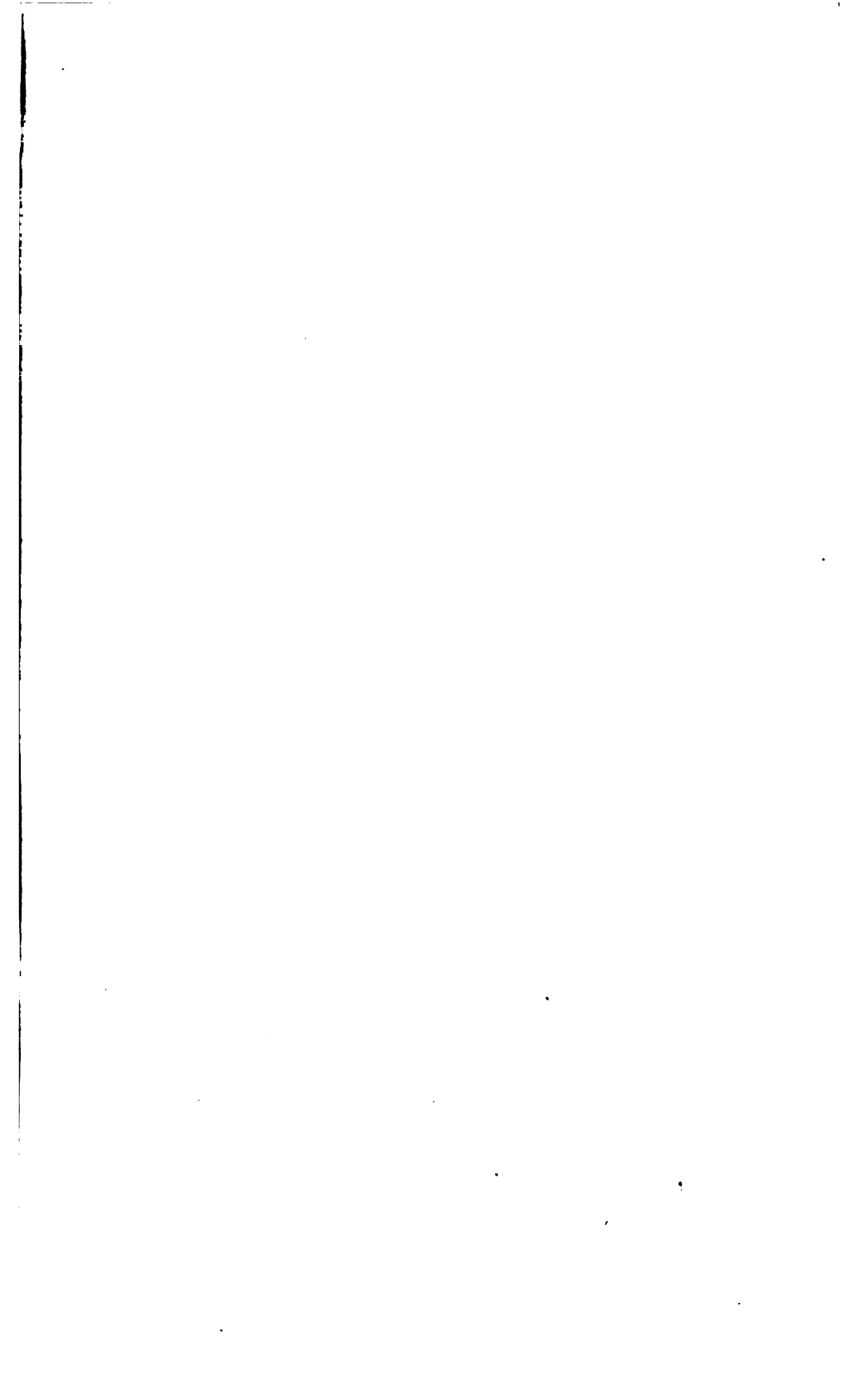
It has been a question with us, whether, under this view of the subject, any regard ought now to be paid to the published *sentiments* held by Madison in 1791, when he has so amply refuted them by his *acts* in 1817? But we determined to waive all these recantations on his part, in the full conviction that we could even bestow a gratuitous argument upon the enemies of this institution—especially upon those exploded, and long refuted positions assumed in Mr. Madison's speech of 1791, touching the right of congress to char-

ter the bank. But this is altogether supererogatory ; for all his reasoning is but a reply to GENERAL HAMILTON'S REPORT ; a feeble and insufficient reply, acknowledged to be so by Mr. Madison himself, at a time when more *enlarged experience* had given him new lights on the subject. It is remarkable, that Mr. Madison in this speech places the greatest emphasis upon the *inutility* of the bank to the government and to the public ! In 1791, this argument, without an experience of its benefits, might have been thought sound—but in 1831, no man, in a sane state of intellect, would maintain so absurd an idea. On the contrary, as Mr. Madison rested his argument mainly on the point of *utility*, it shows an admission that its *usefulness* to government and the public, would form a feature in justification of its establishment ! This extensive and great usefulness, is now universally admitted, and according to the *principle* of Mr. Madison's speech itself, the Bank of the United States, in point of constitutional right, is fully established ! When we add to this theoretical admission of a point of logic, the *practical admission* of the same great statesman, what more can ignorance, malevolence, ambition, intrigue, or power require ? Surely to persist in the longer assertion of the opinions of Mr. Madison, so far back as 1791, being an authority against the bank, would evince as much want of principle and candour, as of understanding and sagacity. If ever any question of constitutional right is to be settled, this of the government to incorporate the bank is settled, beyond the power of political charlatantry to destroy, or impair it. Let the decree of the SUPREME COURT be superadded to the *practice*, of Mr. Madison, pre-eminently the most rigid, and exact of all the republican interpreters of the letter and spirit of

the Constitution, and let us see who, possessing character for wisdom, or patriotism, will peril its loss, by impugning its legal sanction, by the highest of all authorities, judicial, legal, political and just !

Properly viewed, therefore, the speech of Mr. Madison in 1791, taken in connection with his subsequent conduct, is doubly corroborative of the constitutionality of the bank, and doubly demonstrates his wisdom and patriotism, which could renounce heresies formed at a period inauspicious to correct views and a sound judgment ; and embrace principles consonant to the genius of our ever advancing government, as well as the true spirit of philosophy and statesmanship, which so eminently distinguish the only surviving Revolutionary Sage of Virginia.

FINIS.



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